



Leelanau County Government Center

Leelanau County Land Bank Authority (LC-LBA)

Website: <http://www.leelanau.cc/landbank.asp>

8527 E. Government Center Dr.
Suttons Bay MI 49682 231-256-9838

NOTICE OF MEETING

The Leelanau County Land Bank Authority (LC-LBA) will
meet **On Tuesday December 15th 2020 at 9:00 am**
at the
Leelanau County Government Center

DRAFT AGENDA

PLEASE TURN OFF ALL CELL PHONES

PLEDGE OF ALLEGIANCE

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

APPROVAL OF MINUTES: September 15, 2020 *pgs 2-8*

PUBLIC COMMENT

➤ UNFINISHED BUSINESS

➤ DISCUSSION/ ACTION ITEMS

1. HomeStretch Marek Road *pgs 9-17*
2. ReMax Letter of Intent; Marek Road *pgs 18-19*
3. Traverse City Whiskey Introduction *pgs 20-31*
4. Bylaws and Policies & Procedures Review *pgs 32-50*
5. Any other business.

CLAIMS & ACCOUNTS

POST AUDIT

CORRESPONDENCE/COMMUNICATION ITEMS

PUBLIC COMMENT

MEMBER COMMENTS

CHAIRPERSON COMMENTS

ADJOURN

Members

Treasurer John A. Gallagher III – Chair
Trudy Galla - Secretary
Dan Heinz - Treasurer
Chet Janik
Patricia Soutas-Little
Rick Foster
Richard Isphording

A regular meeting of the Leelanau County Land Bank Authority was held on Tuesday, September 15, 2020 at the Government Center via in person and by zoom.

CALL TO ORDER: Meeting called to order at 9:00 am by Treasurer Dan Heinz, who led the Pledge of Allegiance.

ROLL CALL

MEMBERS PRESENT: D. Heinz, T. Galla, C. Janik, R. Isphording
In Person

MEMBERS PRESENT: R. Foster, P. Soutas-Little
VIA ZOOM

MEMBERS ABSENT: J. Gallagher
(Prior Notice)

PUBLIC PRESENT: J. Stimson, L. Bahle

APPROVAL OF AGENDA

Galla requested to add a signer for the documents under #3, Marek Road, in the event Chairman Gallagher is not available for signing.

Motion by Janik, seconded by Isphording, to approve the agenda as amended. Motion carried 6-0.

APPROVAL OF JULY 21, 2020 MINUTES

Soutas-Little requested to have “the” added to the first sentence in the second paragraph, on page 8, to read “...on the board...”

Motion by Soutas-Little, seconded by Foster, to approve the minutes as corrected. Motion carried 6-0.

PUBLIC COMMENT – Heinz announced the phone number for the public to call in and give comment. Several minutes were provided for call in but there were no calls.

UNFINISHED BUSINESS

Galla provided an update in regards to the house on Madison Ave in Suttons Bay. She heard from Wendy Irvin of Habitat for Humanity that the first three former offers walked away on this last round. Then they had an offer for \$45,000 which was countered at \$36,000 after the property was inspected and the environmental reports were reviewed. They agreed to a \$40,000 purchase and the closing is supposed to take place this Friday. Hopefully this property will get sold and redeveloped.

Heinz added there would be about \$23,000 to go into the Maple City project, from the proceeds of this sale.

DISCUSSION / ACTION ITEMS

1. Bay View Property Discussion (Lois Bahle)

Bahle stated she has served on the Housing Action Committee (HAC) since the beginning. This property is for sale, all 145 acres which is more than we need for affordable housing. There are different parcels within that area. Bahle referenced a drawing that shows the parcels. She said the one at the north end, bounded by Dumas Rd. and Leelanau Trail, seems most suited. The Village has made an attempt to talk to previous owners in 2010 and again

in 2014 to get it released from the Planned Unit Development (PUD) and go to a zoning designation that would make it easier to develop.

Bahle said she has attended county meetings where discussion was held with how the Land Bank and Brownfield boards can work together on developments. She thought the Land Bank might be helpful so she started a list of pros & cons on the property. Suttons Bay Village is willing to enter into discussion to release the PUD. It is a large parcel within village limits, and has access to the sewer plant. When Bayview was first proposed, the waste system was at capacity. To expand they doubled the size and required Bayview prepay all their hookups. There are over 500 prepaid sewer hookups in this development. The sewer line location in the approved PUD is down the old RR right of way and there is a location for lift station. So, you don't have to talk about where you are going to put a sewer line as it is already on the map. It's available for high density development such as studio size apartments or single family residential. At least 1/3 of it is in the wetlands which is good and bad. It is 2.5 miles from the school, adjacent to the trail and M-22, BATA availability, close to employment, close to grocery and medical facilities. This site already checks off a lot of things that are already on the HAC checklist. The cons: it is part of an old PUD which means some difficulty getting out of it. There are multiple owners involved, wetlands, and a mound on the property of rubble from the old Frigid Food packing plant. There is a cost for cleanup and for developing the sewer line. Financing and a developer are needed. Cost of cleanup and developing sewer line. These are all things the Land Bank would be useful in trying to address. Bahle saw this as a project to look at with greater depth and asked the Land Bank for some help perhaps with a sub-committee. She felt it was worth investing time in this site and the rewards would be more than 10 houses. She was advised to have 125-200 units as that many are needed to have onsite maintenance and manager positions.

Heinz asked about cost. Bahle said she did not know the cost. They want \$2.2 million for the whole 145 acres. This part encumbers the rest of it. The seller may be motivated if this part can be taken out of the rest because the other property is higher end and view properties.

Heinz asked about the PUD and Bahle said all the owners need to release this out of the PUD. She talked with one of the owners, Jeff Roth, and he told her to call him if there are plans or she had more information.

Heinz asked if this would qualify for brownfield money and Galla replies she did not know. She asked Bahle if this is the site that was worked on years ago and Bahle replied, that was Harbor Heights. Galla stated they would need to look at it to see if there were environmental issues and then if there were any funds available to assist.

Heinz said Gallagher had mentioned the Land Bank has a lien on 24 parcels. Bahle said she thought those were by the water. Galla noted they are referred to as air condos because there is nothing built there – they are upper and lower condos that could be built. It goes back to the unpaid taxes on the property and is not through the Land Bank. The Treasurer has those parcels.

Heinz asked about action by the HAC and Galla replied that Bahle provided an update to the HAC the other day and there was no action taken but the HAC felt that developers should be contacted to look at this site.

Soutas-Little thanked Bahle for bringing creative ideas forward and felt it was worth exploring. The cons provide a little challenge. We need to see what the cost would be and how we might move forward on something like this. Janik felt it was worth exploring and did not see a down side to doing that. Bahle mentioned the value of the property and noted the Leelanau Conservancy is required to get appraisals done before they make a purchase. Janik said the Land Bank has also acquired appraisals.

Bahle felt the rewards are worth the effort. We could do enough units to make a dent in the total units we need in the county. Heinz asked if the Village is open to breaking up the PUD and Bahle said, yes. They have tried to get

the owners to come together and talk about it. Also, there are differing legal opinions on whether or not there is a sunset on the PUD.

Heinz asked if we feel this has moved far enough along that it is necessary for a sub-committee to be involved. We can encourage it, but maybe more should be done with the HAC. Bahle was pleased with endorsement the HAC gave to support Housing North and that is a 10-county organization. They have more experience in financing, putting together elements, etc. Galla suggested Bahle talk with Yarrow Brown of Housing North.

Heinz commented we could move this along and put on the agenda again next month. This is a long-term concept. Bahle felt it has been languishing and needs another push.

Janik asked what would be the next step in the process. Bahle said she could start with Yarrow Brown and see what she has to say.

Jonathon Stimson, Homestretch, suggested a first step would be to get an environmental study, a Phase I, to find any mitigating factors on the land. It is money well spent. If you find one that was done, it can be updated.

Heinz asked if there was a mix of housing when the PUD was approved. Bahle said yes, this was the area of higher density for housing. We have never seen anything other than footprints on drawings.

Heinz told Bahle the Land Bank was encouraged by what she was attempting to do. It comes down to financials and whether or not this is something that could be partnered with an organization.

Soutas-Little commented that Bahle has done a lot of pre-work. Soutas-Little felt this was an opportunity for the Land Bank to take a little leadership and look at ways to assist. It would certainly address a major housing problem like mixed workforce housing. There is other housing in the area so it will fit in and not just be viewed as the affordable housing area. This process involves us stepping up and helping where we can. Heinz asked Galla to put this on the agenda for next month.

Bahle spoke on development that happened on Mackinaw Island, as well as income qualifications used from Aspen CO. Their units can not be rented for less than 3 months at a time and anyone renting is not allowed to own property anywhere else on the island so that eliminates people that rent a small unit and put a house on the waterfront. Bahle thanked the Land Bank for their time and encouragement.

2. Homestretch Update

Stimson reported they had a setback with site costs. The bid they had for improvement of the road off M-204 and then getting up to the site and leach field was \$287,000. They had \$245,000 built in to the proforma so they are \$30,000, plus the well cost, over their estimate. It's feasible they can continue and work through that and fine tune some of the costs. One thing beneficial about a private site is that he can take the expense of sewer and water and amortize it over a 40-year period. He could also buy a piece of land for \$100,000 or \$150,000 and still have site work to do that would put them at the same place with cost, but amortizing this over 40 years and not having the tenants have to pay sewer and water works out nice. He would like to move forward. He talked about NIMBY (not in my back yard), PILOT program, and working on a land agreement to try and further the grant process with the Federal Home Land Bank. Homestretch may need another year to get something concrete. He asked to execute the documents to put the property into an escrow account until he could get financing in place. Heinz said at the last meeting he thought Stimson had a 2-week deadline for qualifying for the funding. Do you have to wait another year? Stimson questioned what other projects are being considered for affordable housing. By having land control, it makes it more enticing to try and fund the project. Heinz asked if he was hoping for a

PILOT program and Stimson said, yes. Heinz asked about workforce type housing and the 18 mils vs 36 mils for taxes. Stimson said that would be another step he would have to go through to further this along and he can only go to so many meetings. To get this PILOT and have land control gets him more validity going in front of these municipalities to get what is needed and make the project work.

Heinz asked for comments. Janik asked Galla about the documents which attorney Tim Perrone had developed. Gallagher has been working with county's legal counsel on these documents. Did Galla have any thoughts or concerns? Galla said she had a question for Stimson regarding the escrow agreement. She understood that the deeds would be executed but not recorded. We will hold those so Homestretch can use that as leverage or documentation for whatever they need to apply for but we are not actually going to transfer the property. Stimson said no, but it puts them in the driver seat whether or not they can execute that agreement. If it is held and they get the financing, they've proven themselves, they get the land, so that's the performance – the ability to get it financed. Galla said on the agenda today there are two deeds. She did not have an opportunity to discuss with Gallagher. First deed is a deed from the Land Bank to Homestretch but then there is a deed from Homestretch to the Land Bank. She did not understand why the 2nd deed would be needed if we are holding these in escrow. Stimson agreed, unless legal counsel suggested it be done this way where you are deeding it to us to be deeded back. Maybe there was a reason for that. He was not part of that discussion. Galla said she imagined the Land Bank would hold it while development is going on so there are no taxes on it, then deed it out of the Land Bank. She was confused why both of the deeds are needed if we are doing escrow. She can check with the attorney on this. On the agenda is an asset removal agreement with the Land Bank and Homestretch, then there is an asset purchase agreement between the Land Bank and Corey Bumgardner for the items on the property. Stimson said that had nothing to do with him. Galla agreed but said there are two documents which we have to execute so Mr. Bumgardner has a timeframe to come and get items off the property. Then there is the purchase agreement with Homestretch, the escrow agreement and two Quit Claim deeds.

Heinz said we can start working through each one of these step by step, but first we need to address the item added to the agenda by Galla to add a signer in case Gallagher cannot sign. Galla said she had asked to put this on the agenda before the Marek Rd items to have another signer for documents. We have done this in the past in the event the Chairman is not available at the time the documents need to be executed. Given that Gallagher is not here today, she thought it would be a good step to have a backup in the event Gallagher can not sign. That is the first item. Heinz felt this was a good idea. His preference was Janik or Galla be the backup. He asked for discussion.

Janik felt Galla would be the logical choice and she could have the discussion with the attorney before signing. She is very diligent with research on documents.

Signer of documents

Motion by Janik, seconded by Soutas-Little that Galla be the signer for the documents in the event Chairman Gallagher is not available. Motion carried 6-0.

Heinz said this would be effective now. Janik said this is just a backup plan if Gallagher is not available.

- a. Asset Removal Agreement
- b. Asset Purchase Agreement
- c. Bill of Sale
- d. Purchase Agreement with Homestretch
- e. Escrow Agreement with Homestretch
- f. QC Deed – LBA to Homestretch
- g. QC Deed – Homestretch to LBA

Heinz noted item a. Asset Removal Agreement has a date of no later than December 31, 2020. Is that still the date to keep in this agreement? Stimson said that agreement for the removal has no bearing on him, it is between the Land Bank and Mr. Bumgardner. We have not executed any agreements on the land as of yet. Galla said actually there is one – this first document is the asset removal agreement between the Land Bank and Homestretch. This one is the agreement where Homestretch is going to give the Land Bank \$5,000 to remove all the items. Stimson said there is the fly in the ointment, as his thought was, they would not be paying the \$5,000 unless the financing was in place. If they pay the \$5,000 and can't get the financing and walk away, they are out the \$5,000. His thinking was undo that agreement and just have it between the Land Bank and Bumgardner for removal of the assets on the property. If Homestretch pays \$5,000 for removal then all they've done is remove the structures and they still don't have the land. Heinz concurred. The land is for \$1.00. At last month's meeting, Gallagher did mention the \$5,000 probably wouldn't take place until Homestretch gets all their financing. This would be to work with Bumgardner and get the property dismantled.

Heinz asked Galla if Corporate Counsel still wanted us to enter into this agreement? Galla asked Stimson if his attorney had looked at these documents and approved them. Stimson replied that they prepared them. Janik corrected him and said our attorney prepared them. Galla added they might have been the first drafts that went to our attorney but our attorney reviewed and prepared these documents. Stimson said he had sent them to his attorney and he didn't have any feedback. Heinz noted this agreement requires Stimson's signature. Stimson said he has seen the documents and had them. Heinz said it doesn't impede Stimson's desire to have the land tied up so he can acquire the extra point for application. This is secondary. Heinz asked if we should table this. Would Gallagher want us to tie up that \$5,000 to substantiate our position to go into the sale for \$1.00. Galla said that \$5,000 goes back to the original agreement with Homestretch to pay us \$5,000. On the agenda is the purchase agreement with Homestretch which says it is for \$1.00. She asked Stimson if it messes with his financing plans if we do the purchase agreement for \$5,000?

Stimson suggested he get authorization from his board to give us a check for \$5,000 and then we execute these agreements and be done with it. The only problem is if he doesn't get financing, Homestretch will lose the \$5,000, unless it is refundable. That was the whole intent originally. We would pay \$5,000 for the land, but the grant is written that if it is donated for \$1.00, we get the extra point to help toward approval for financing. It is kind of an end run, and it was discussed at the last meeting and Isphording didn't like it. Stimson said he is still a believer in it but does not have authorization from his board to have over \$5,000 right now. We will pay \$5,000 for the removal or for the land, once we get the financing. Galla said that is unknown. Stimson said it could be a year off. Galla thought we might be better off to just do the asset purchase agreement and bill of sale with Mr. Bumgardner for \$2,000 and have him remove the stuff from the property. She asked Stimson if there was a hurry to have the other documents approved. Stimson said the pressure has been put off of him because the grant cycle lapsed, he didn't meet the first deadline. Within the next month, if we could finalize it, or within the next 2 months would be fine. Galla said if we went in that direction that allows the Land Bank to get payment of \$2,000 from Bumgardner and he has until the end of the year to remove the stuff from the property. We can still talk to Homestretch about selling the land for \$5,000 or, we have a clean piece of property to move forward.

Heinz said maybe one thing that was in John Gallagher's thought process, was that the \$1.00 and \$5,000 go hand in hand. If we sign the \$1.00 agreement, we lose our leverage if we don't have the \$5,000. We do have costs and this is one way to recoup the costs on this project, like unpaid property taxes. He was not speaking for Gallagher but Gallagher put that deal together for \$1.00 to make that part feasible. Galla suggested considering just items b and c with Mr. Bumgardner, not anything with Homestretch at this time.

Janik repeated that Galla is saying only approve the asset purchase agreement with Mr. Bumgardner, and the bill of sale with Mr. Bumgardner. Galla agreed and said that's it; nothing with Homestretch. No agreement for \$1.00, no agreement for \$5,000, no escrow.

Stimson said that sounded great. He stated he edited the asset removal agreement between Land Bank and Homestretch to say that for compensation, "Homestretch shall pay land bank the sum of \$5,000 for removal of assets, payable upon meeting the purchase agreement contingency for which this agreement is attached." Galla replied that is not the document before us. Heinz read from the agreement in the packet and said that is from our attorney.

Stimson said he took that document and edited it. Janik said that's not what we have today and not what our legal counsel suggested. We have to approve what our attorney agreed to. Stimson asked if our attorney had seen the language Stimson inserted. Janik asked when that happened and Stimson replied it was 2 weeks ago and he sent it to Gallagher. Gallagher had some confusion, said send me what you want me to sign. Stimson did. If you accept the language, he inserted it would be payable upon meeting the purchase agreement contingency for which this agreement is attached. So, it means the \$5,000 is payable upon performance. Janik said that's not what we are voting on today and not what our legal counsel drafted. He is not comfortable approving anything that our corporate counsel has not reviewed. He did like Galla's proposal. Would that work for Stimson? Stimson said that was fine and it gives the Land Bank attorney a chance to review Stimson's language.

Move by Janik, seconded by Isphording, to approve the asset purchase agreement with Mr. Bumgardner as presented, pending final review by our legal counsel. Motion carried 6-0.

Motion by Janik, seconded by Soutas-Little, to approve the bill of sale with Mr. Bumgardner as presented, pending final review by our legal counsel. Motion carried 6-0.

Heinz noted we will table item 3a, the asset removal agreement and items 3 d, e, f, and g.

Galla said her suggestion was that we do not approve anything with Homestretch at this time. Heinz said they won't get that \$1.00 agreement to get the extra point to qualify for the next financing round. Stimson said if we can execute that at the next meeting, it is fine. Heinz confirmed items d, e, f, and g, will go on the October meeting agenda. Heinz thanked Stimson for his attendance and discussion.

3. Budget Worksheet / Discussion

Galla noted we have to have a 2021 budget adopted by the end of the year and this is Gallagher's draft that he has presented. It spells out the revenue at the top, and expenditures below. Revenue includes TIF and very small amount of interest. Galla briefly reviewed the proposed 2021 budget. She did not have a chance to get into the computer to get the fund balance for the account. Galla noted modifications to the budget can always be done throughout the year if there is additional revenue or expenses that come up.

Motion by Janik, seconded by Galla to approve the budget as presented. Motion carried 6-0.

Heinz said Galla had mentioned earlier about the fund balance for the Land Bank. The fund balance is anticipated to be used on projects where we might put some money into them like what was done on the first Maple City project. Galla confirmed we have used funds for a number of things such as environmental studies, purchase of land, to hire consultants, and the Maple City project. We did lose money on that site because we did not put a brownfield plan in place to try and recover some costs but that's because we found out we would not have been able to recover all the costs spent on it and might spend more on the development of the brownfield plan than what we would recover. We have other projects where we made considerably more off the properties. Overall, we have not lost money, but we did on that Maple City project. Heinz felt it would be very aggressive for us to commit a substantial amount to a project like the Bayview site, in anticipation of getting that money back in

property taxes over many years. We would lose our flexibility. Galla agreed and added we definitely want Gallagher's input on that as County Treasurer. He has said in the past the budget is pretty tight.

CLAIMS & ACCOUNTS - None

POST AUDIT - None

PUBLIC COMMENT

Heinz announced the number to call in for public comment. There were no phone calls for public comment.

MEMBER / CHAIRMAN COMMENTS – None

ADJOURN

Motion by Janik seconded by Galla to adjourn. Meeting adjourned at 10:02 am.

DRAFT

Purchase Agreement

This Purchase Agreement, dated as of _____, 2020, is entered into by and between the **Leelanau County Land Bank Fast Track Authority**, a Michigan Public Body Corporate, whose address is 8527 E. Government Center Dr., Suite 104, Suttons Bay, MI 49682 ("Seller") and **HomeStretch Non Profit Housing Corporation**, a Michigan Nonprofit Corporation, whose address is 400 Boardman Avenue Suite 10, Traverse City, Michigan 49685 ("Buyer"), as follows:

Background

1. The Seller is an organization created pursuant to the Michigan Land Bank Fast Track Act whose principal purpose is to aid in returning to productive use tax-foreclosed and other distressed real property located in Leelanau County.
2. Buyer is an organization devoted to developing affordable, high quality housing for persons of low to moderate income in northern Michigan.
3. The Seller owns the following real property located in the Township of Suttons Bay, County of Leelanau, State of Michigan, described as:

PT NW 1/4 SEC 20 COM N 1/4 COR SD SEC TH S 01 DEG 03' W 1966 FT TO
POB TH S 01 DEG 03' W 285 FT TH N 88 DEG 56' W 350 FT TH N 19 DEG 10'
W 303.74 FT TH S 88 DEG 56' E 455.05 FT TO POB SEC 20 T30N R11W 2.63
A M/L

More commonly known as 525 N. Marek Road, Suttons Bay, Michigan 49682. Parcel Identification No.: 011-020-004-13 (the "Subject Property").

4. There being a persistent need for affordable housing within Leelanau County. Buyer desires to utilize the Subject Property to develop new affordable housing units.
5. It is consistent with the Seller's purpose and objectives to facilitate redevelopment of the Subject Property and such efforts will benefit the citizens of Leelanau County.

Accordingly, in consideration of the mutual promises stated in this Agreement, the parties agree as follows:

- 1. Purchase and Sale.** The Seller agrees to sell and Buyer agrees to buy the Subject Property for consideration of one dollar (\$1.00).
- 2. Conveyance by Quit Claim Deed.** The Seller shall convey the Subject Property to Buyer by quitclaim deed.

3. No Representations or Warranties. The Seller makes no representations or warranties and hereby specifically disclaims any representations and warranties whatsoever regarding the Subject Property including with respect to physical condition, condition of title, existence or location of improvements, environmental contamination, encroachments, and any other physical or legal condition of any kind.

4. As Is, Where Is. Buyer understands and agrees to accept the Subject Property as is, where is without representation or warranty of any kind on the part of the Seller.

5. Closing. Closing will take place at the office of the Seller on a date mutually agreeable to the parties but in no event later than _____, 20__.

6. Possession. Unless otherwise agreed to in writing by the parties, the Seller shall deliver possession of the Subject Property to Buyer at closing.

7. Contingent Conveyance to Seller. In the event that Buyer is unable to secure Sufficient Funding on or before _____, 20__ (the "Funding Deadline.") to complete the proposed low income housing project on the Subject Property, Buyer shall convey the Subject Property back to the Seller by quitclaim deed, for consideration of One Dollar (\$1.00). For purposes of this Agreement, Sufficient Funding shall mean funds totaling at least One Million Five Hundred and Seventy-Nine Thousand and 00/100 Dollars (\$1,579,000.00). Buyer shall be deemed to have secured Sufficient Funding upon demonstration, prior to the Funding Deadline and to the reasonable satisfaction of the Seller, that Buyer has obtained funds or firm and irrevocable commitments therefor in an amount meeting the Sufficient Funding threshold as defined herein and the Seller acknowledges same in writing. The Seller may, by written agreement and in its sole discretion, extend the Funding Deadline for up to one year. However, Buyer must request such an extension of the Funding Deadline in writing no later than _____, 20__, and must explain the necessity for such extension as well as its diligent efforts to secure Sufficient Funding prior to such request.

8. Deed in Escrow. At closing, Buyer shall execute a quitclaim deed conveying the Subject Property to the Seller (the "Escrow Deed"). Such deed will be held in escrow pursuant to a separate agreement which shall be executed by the parties at closing (the "Escrow Agreement"). In the event that Buyer fails to secure Sufficient Funding as defined in this Agreement, the Escrow Deed shall be delivered to the Seller out of escrow in accordance with the procedures outlined in the Escrow Agreement and conveyance to the Seller shall be effectuated. In the event that Buyer does secure Sufficient Funding as defined in this Agreement, the Escrow Deed shall be delivered to Buyer in accordance with the procedures outlined in the Escrow Agreement and any contingency with regard to Buyer's ownership of the Subject Properties shall be removed.

9. Provisions Surviving Closing. The provisions contained in paragraphs 3, 4, 7 and 8 above shall survive the closing of this transaction.

10. Binding agreement. This Agreement will bind and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties.

11. Entire agreement. The parties agree that, with the exception of the Escrow Agreement, this Agreement contains the entire agreement between parties and that there are no agreements, representations, statements, or understandings that have been relied on by the parties to this Agreement that are not stated herein.

12. All agreements in writing. The parties agree that this Agreement (and written and signed addenda, if any) cannot be modified, altered, or otherwise amended without a writing being duly signed by both the Seller and Buyer.

13. Counterparts. This Agreement may be executed in one or more counterparts, each of which is deemed an original but all of which together shall constitute one agreement.

14. Electronic Signatures. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

To evidence the parties' agreement to this Agreement, each party has executed and delivered it on the date indicated under that party's signature, but it is effective as of the date stated in the preamble.

SELLER: Leelanau County Land Bank Fast Track Authority

Dated: _____
By: John Gallagher
Its: Chairperson

BUYER: HomeStretch Non Profit Housing Corporation

Dated: _____
By: Jonathan Stimson
Its: Executive Director

APPROVED AS TO FORM
FOR LEELANAU COUNTY
LAND BANK

By: _____
Timothy M. Perrone
Cohl, Stoker & Toskey, P.C.

Asset Removal Agreement

THIS AGREEMENT is made on _____, 2020 between Leelanau County Land Bank Fast Track Authority, with its principal place of business at 8527 E Government Center Drive, Suite 104, Suttons Bay, Michigan, 49682 (hereafter, the "Land Bank"), and Homestretch Non-Profit Housing Corporation, of 400 Boardman Ave., Suite 10, Traverse City, Michigan 49684 (hereafter, "Homestretch").

WHEREAS, the parties have entered into a Purchase Agreement, whereby Land Bank agreed to sell to Homestretch the real property at 525 N. Marek Rd., Suttons Bay, Michigan 49682 (hereafter, the "Premises"); and

WHEREAS, there are several structures and items of personal property on the Premises (hereafter, the "Assets") that are not included in the sale of the Premises, and which Homestretch desires to be removed.

IN CONSIDERATION of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the parties agree as follows:

1. Removal of Assets.

Land Bank shall remove or cause to be removed all of the Assets presently on the Premises, including all structures, fixtures, equipment, and other tangible assets located on the Premises, See Exhibit A.

2. Compensation.

Homestretch shall pay Land Bank the sum of \$5,000.00 for removal of the Assets, payable upon Contingency Item 7 of the Purchase Agreement dated _____ and attached to this document.

3. Access to Premises.

Upon execution of this Agreement, Land Bank and its employees and contractors may enter the Premises and remove the Assets. All Assets must be removed by the Land Bank no later than December 31, 2020.

4. Miscellaneous Provisions.

- a. Applicable Law. This Agreement shall be construed under and in accordance with the laws of the State of Michigan.
- b. Parties Bound. This Agreement shall be binding on and inure to the benefit of the parties to this Agreement and their respective heirs, executors, administrators, legal representatives, successors and assigns.
- c. Legal Construction. This Agreement shall be construed as to effectuate the intended purpose of the Agreement. In the event any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, this

Agreement shall be modified to otherwise effectuate the sale under the original intentions of the Parties. This may include striking the invalid, illegal, or unenforceable provision as if it had never been contained in this Agreement, or modifying the invalid, illegal or unenforceable provisions to make it compliant without modifying the original purpose of the Parties.

d. Signatories. This Agreement shall be executed on behalf of Leelanau County Land Bank Authority by its Chairman John Gallagher and on behalf of Homestretch by its Executive Director Jonathan Stimson. The Agreement shall be effective as of the date first written above.

Leelanau County Land Bank Fast Track Authority

_____ Date: _____
John A Gallagher III
Chairman

Homestretch Non-Profit Housing Corporation

_____ Date: _____
Jonathan Stimson, Executive Director

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EXHIBIT A

Contents included in this Asset Removal Agreement are located at 525 N. Marek Road, Suttons Bay MI; and include the following:

- (1) "Mini Cottage" with porch and indoor contents.
- (2) Above ground outhouse.
- (3) Outdoor shower stall.
- (4) Outdoor fire pit.
- (5) Miscellaneous contents left on parcel.



ESCROW AGREEMENT FOR DELIVERY OF DEED

This Escrow Agreement for Delivery of Deed ("Agreement") dated as of _____, 2020, between the Leelanau County Land Bank Fast Track Authority, a Michigan Public Body Corporate, whose address is 8527 E. Government Center Dr., Suite 104, Suttons Bay, MI 49682 ("Seller") and HomeStretch Non Profit Housing Corporation, a Michigan Nonprofit Corporation, whose address is 400 Boardman Avenue Suite 10, Traverse City, Michigan 49684 ("Buyer"), and _____, whose address is _____ ("Escrow Agent") on the following conditions as set forth below.

1. Purpose. The Seller and Buyer have entered into a Purchase Agreement, a copy of which is attached hereto (the "Purchase Agreement") for the real property located in the Township of Suttons Bay, County of Leelanau, State of Michigan, described as:

PT NW 1/4 SEC 20 COM N 1/4 COR SD SEC TH S 01 DEG 03' W 1966 FT TO
POB TH S 01 DEG 03' W 285 FT TH N 88 DEG 56' W 350 FT TH N 19 DEG 10'
W 303.74 FT TH S 88 DEG 56' E 455.05 FT TO POB SEC 20 T30N R11W 2.63
A M/L

More commonly known as 525 N. Marek Road, Suttons Bay, Michigan 49682. Parcel Identification No.: 011-020-004-13 (the "Subject Property").

The Purchase Agreement contains a contingency upon which the Subject Properties may be conveyed back to the Seller upon Buyer's failure to meet certain funding requirements. The parties therefore enter into this Agreement.

2. Quit Claim Deed. Buyer has signed a quitclaim deed (the "Escrow Deed") and hereby deposits that Deed with Escrow Agent.

3. Duties of Escrow Agent.

a. Escrow Agent shall hold the Escrow Deed until Escrow Agent receives notice from Seller that Buyer has either secured Sufficient Funding or failed to secure Sufficient Funding, as defined in the Purchase Agreement.

i. In the event that Escrow Agent receives notice from Seller that Buyer has secured Sufficient Funding, Escrow agent shall deliver the Escrow Deed to Buyer.

ii. In the Event that Escrow Agent receives notice from Seller that Buyer has failed to secure Sufficient Funding, Escrow Agent shall deliver the Escrow Deed to Seller. Escrow Agent shall also provide written notice to Buyer that the Escrow Deed has been delivered to Seller pursuant to this Agreement.

4. Termination. This Agreement shall terminate with the delivery of the Escrow Deed as directed in section 3 or on _____, 20__ , whichever occurs sooner. If Escrow Agent is not directed to deliver the Escrow Deed before the termination date of this Agreement. Escrow Agent may return the Escrow Deed to Buyer with written notice to Seller and Buyer that this Agreement is terminated. If the Escrow Deed is returned to Escrow Agent undelivered after Escrow Agent's attempt to deliver the Escrow Deed pursuant to this section or to section 3, Escrow Agent may destroy the Escrow Deed after Escrow Agent makes a good-faith effort to verify the reason for the nondelivery, and this Agreement shall be terminated. Thirty (30) days before the destruction of the Escrow Deed, Escrow Agent shall mail written notices of Escrow Agent's intention to destroy the Escrow Deed and to terminate this Agreement by first-class mail to Buyer and Seller at the most recent addresses that they have disclosed to Escrow Agent in writing.

5. Reliance by Escrow Agent. Escrow Agent is not responsible for the authenticity of any agreement or signature and may rely exclusively on any notice, affidavit, request, consent, instruction, check, or other document that Escrow Agent believes in good faith to be genuine, signed or presented by the proper person, duly authorized, or properly made. Escrow Agent's responsibilities are solely to perform its duties as stated in this Agreement and no additional duties or liabilities shall be inferred or implied under this Agreement.

6. Amendments. No amendment of this Agreement or waiver of its terms shall affect the rights or duties of any party unless the party consents to the change in writing.

7. Successors and assigns. This Agreement shall bind the heirs, assigns, and successors of the parties.

8. Counterparts. This Agreement may be executed in one or more counterparts, each of which is deemed an original but all of which together shall constitute one agreement.

Effective date. This Agreement shall become effective when signed by all the parties.

Leelanau County Land Bank Fast Track Authority

Dated: _____

By: John Gallagher
Its: Chairperson

HomeStretch Non Profit Housing Corporation

Dated: _____

By: Jonathan Stimson
Its: Executive Director

Escrow Agent

Dated: _____

APPROVED AS TO FORM
FOR LEELANAU COUNTY
LAND BANK

By: _____

Timothy M. Perrone
Cohl, Stoker & Toskey, P.C.

December 8th, 2020

Letter of Intent: 525 N Marek Rd, Suttons Bay, MI 49682

The following non-binding expression of interest reflects Robert Brick's understanding of the major business terms relative to a proposed purchase of the above captioned property.

OWNER: LEELANAU COUNTY

PURCHASER: Robert J Brick and/or assigns

PROPERTY: Approx. 2.634 acres of vacant land located at 525 N Marek Rd, Suttons Bay, MI (parcel number 45-011-020-004-13)

PURCHASE PRICE: \$8,000

EARNEST MONEY DEPOSIT: \$500.00 refundable deposit to be delivered to Escrow Agent within five (5) days after the Purchase Agreement is fully executed. Escrow agent will be a title company chosen by the Purchaser. All deposits shall be applicable to the Purchase Price. Earnest money deposit to be non-refundable after (90) days from date of acceptance.

APPROVALS: Purchaser shall have ninety (90) days to complete physical examinations of the property and improvements and obtain governmental approval, zoning and site plan approval, and any additional approvals needed for final approval, including building permits and securing possible easements from neighboring parcel owners, as required for the construction of entirety of Purchaser's project ("Approval Period").

Purchaser shall obtain all Approvals in cooperation with the Seller. Seller or its agent shall reasonably participate in all meetings with consulting engineers, City Officials, contractors and other consultants. Purchaser shall be responsible for the cost of the engineering drawings, landscape plans, environmental tests, permits, review fees and other costs of approvals.

FINANCING: Purchase to be cash, no financing contingency.

ACCESS & DOCUMENTS: Seller to grant reasonable access to properties by Purchaser to perform inspections during regular business hours. Seller will provide Purchaser with any and all documentation such as surveys, environmental, etc. that they have in their possession within 10 days of a fully executed purchase agreement.

CLOSING: Closing shall occur not later than thirty (30) days following the completion of all necessary governmental approvals required for the construction of Purchaser's project.

The above is a non-binding expression of interest and it is understood and agreed that neither Purchaser nor Seller shall have any obligation whatsoever to the other or to any third party with respect to the matters set forth herein until preparation and execution of all contemplated mutually acceptable documents. The subject letter of Intent (LOI) shall be kept confidential between Purchaser, Seller, and Broker(s). Any information regarding the LOI shall not be shared with un-related third (3rd) parties without the express written consent of Purchaser and Seller. The above is not intended to be in any way a legal document binding either party, but is to simply summarize the status of negotiations to date regarding the general terms and conditions of a proposed transaction.

Sincerely Yours,

Purchaser: Robert J Brick

By:

<i>Robert J Brick</i>	dotloop verified 12/10/20 10:34 AM EST ZFIZ-PJWI-BHOX-PCOB
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 Robert J Brick, Date: 12/10/2020

Seller: Leelanau County Land Bank Authority



By: _____

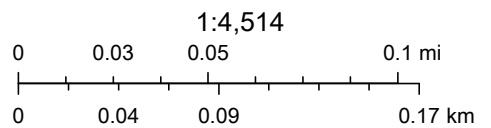
Its: _____

Leelanau Parcel Viewer



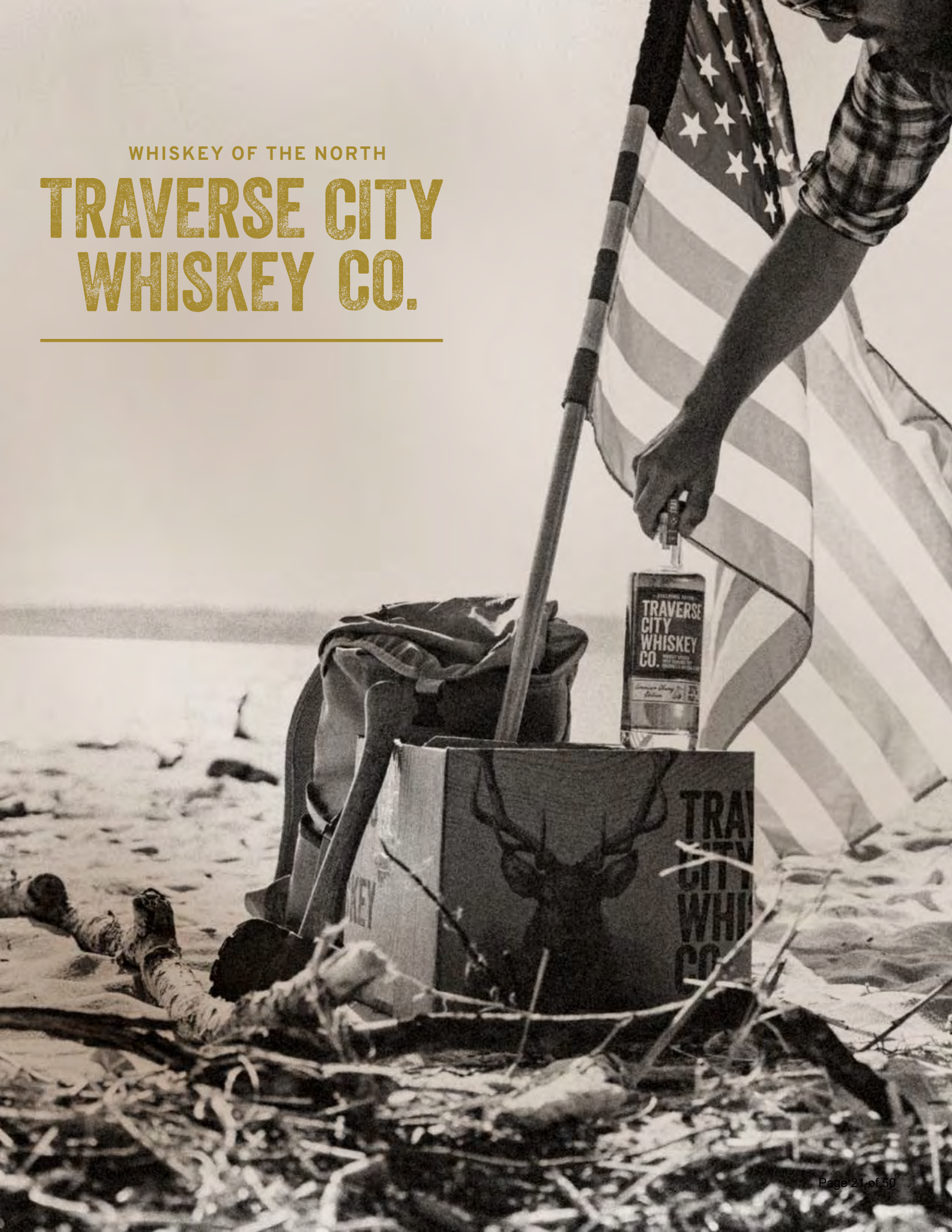
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-  Roads
-  Tax Parcels



WHISKEY OF THE NORTH

TRAVERSE CITY WHISKEY CO.





BACKGROUND / OVERVIEW

In 2012, Traverse City Whiskey Co. sold the first bottle of its Straight Bourbon Whiskey. Shortly thereafter, the Company released its American Cherry Edition: a bourbon infused with Northern Michigan cherries.

Since then, these two products have become the driving force in the Company's growth. While the bourbon lends credibility to the operation with its high standard, versatility and consumer-friendly pricing, the Cherry Whiskey is innovative and capitalizes on the cherry expertise of Northern Michigan. This winning combo has allowed TCWC to expand sales in over half the country, with many big-box chains, including Meijer, Costco, and Sam's Club.

TCWC operates two tasting rooms in Michigan where guests can sample products, enjoy cocktails and purchase bottles and apparel, including "tasting room exclusive" whiskeys.

In addition to being successful ventures on their own, the tasting rooms have been invaluable for testing new products before expanding them to other markets. In 2018, the Company purchased a defunct cherry processing facility to house its future distillery and visitor center.

The Company intends to capitalize on the 3.3 million annual visitors to the Traverse City area and the 1.7 million visitors who visit Michigan wineries each year by creating a world-class whiskey experience in Northern Michigan.



WHERE WE STARTED

TRAVERSE CITY STILLHOUSE & FERNDALE TASTING ROOM:

In 2013, TCWC purchased a building in Traverse City where the Company currently operates a tasting room and distilling operation. There, we offer a bar where we sell our own products for consumption on the premises, off the premises and an array of popular branded items. The Stillhouse has created a extremely loyal customer base and it has become a successful segment of the business due to repeat customers, increasing awareness of the Brand and low operating costs.

In late 2019, TCWC opened “The Outpost”, a second tasting room to cater to its large customer base in the Detroit area. The tasting room is located in Ferndale where the Company partnered with a prominent restaurant group, Peas and Carrots Hospitality, to share a “taste of up-north” in metro Detroit.



WHERE WE ARE

PRODUCTION FACILITY (CURRENT):

In 2015, the company acquired a 12,000 square foot building in Leelanau county, five miles outside downtown Traverse City, which is currently the company’s headquarters, including offices, distilling support, barrel storage and all bottling and jarring operations. As soon as the Company moves into the new facility, barrels will continue to be stored in the building for a period of time but in “Phase 1”, all auxiliary operations will be moved to the new Distillery Campus, including batching, bottling and the corporate offices.

FUTURE PROJECT PLAN: OVERVIEW

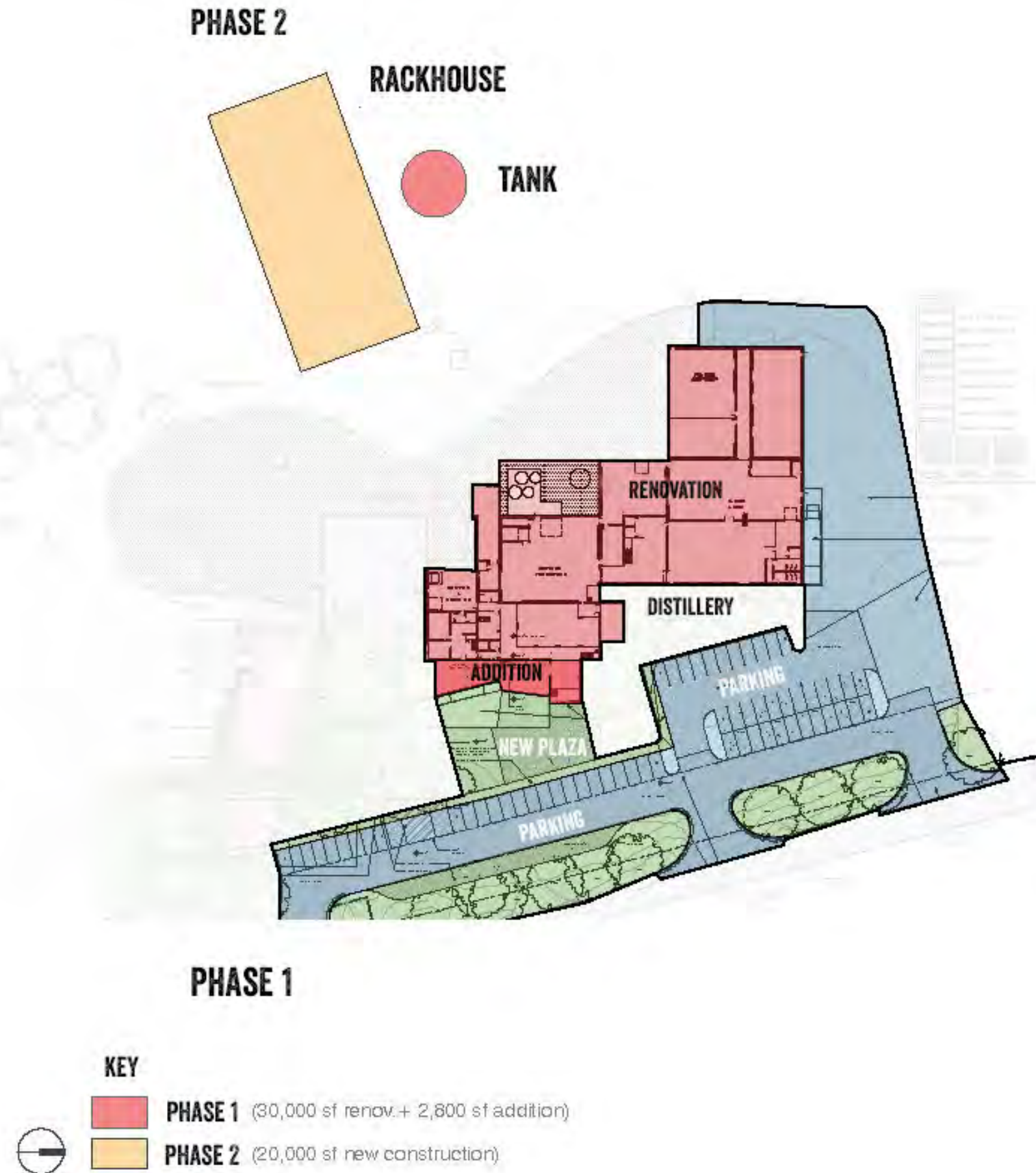
In 2018, TCWC purchased a defunct cherry processing facility, several miles outside of Traverse City in a beautiful landscape with rolling hills in Leelanau County, overlooking a prominent vineyard. We purchased this for the future home of our distillery. The 31,000 square foot building sits on thirty-five acres, allowing for vast future expansion. The Company's vision is to re-purpose the existing facility into a modern distillery, including end-to-end production, bottling, storage, cherry production and office space.



FUTURE PROJECT PLAN:

PHASE 1 - DISTILLERY

The first phase of the project includes re-purposing the existing building and property back to a usable state and activating the distilling, bottling, cherry production and storage operation. This will include the construction of a beautiful and welcoming courtyard at the entrance to the facility which will dually act as a welcome corridor and an outdoor event space during the extended summer months.

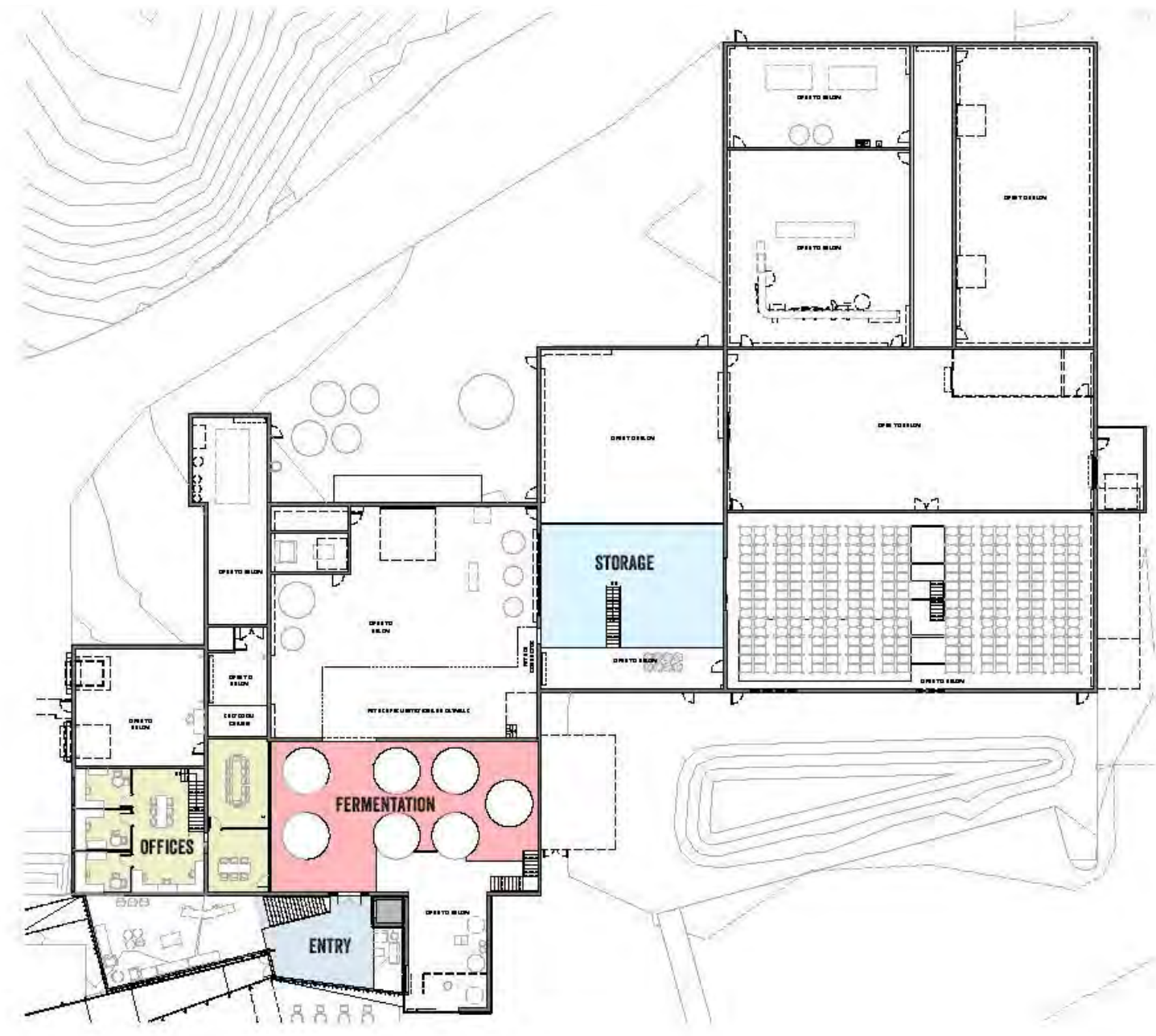




PHASE 1 - DISTILLERY, COURTYARD AND WATER TOWER



MAIN LEVEL

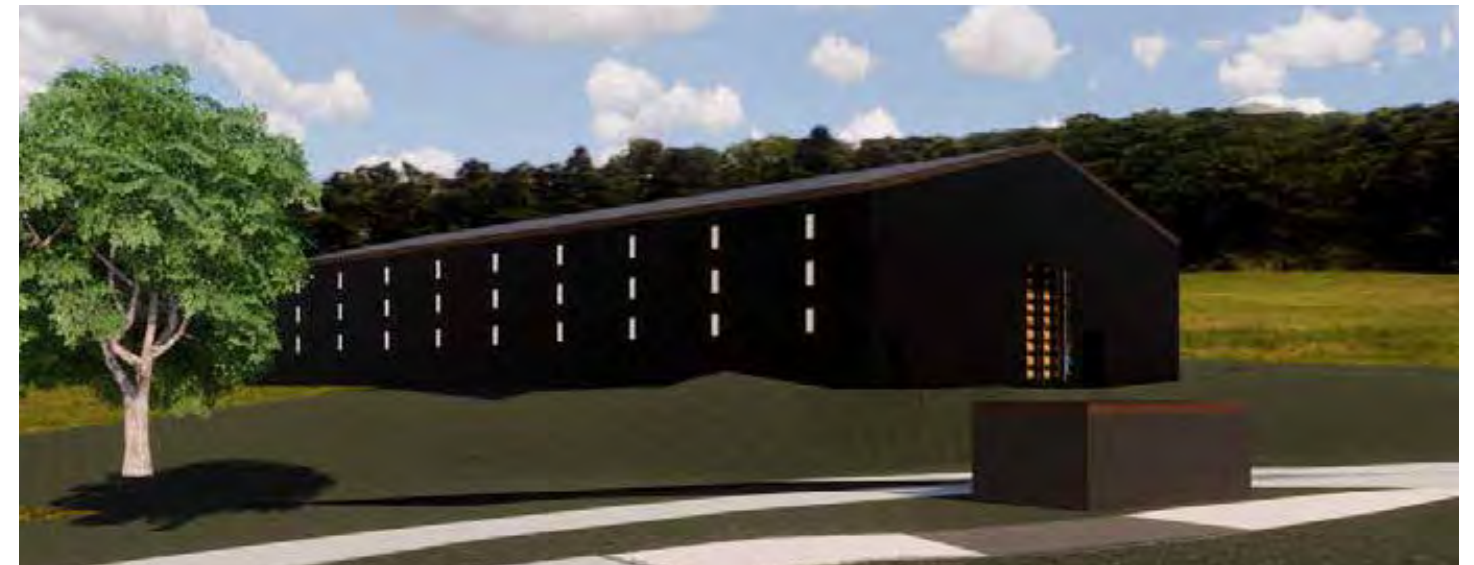
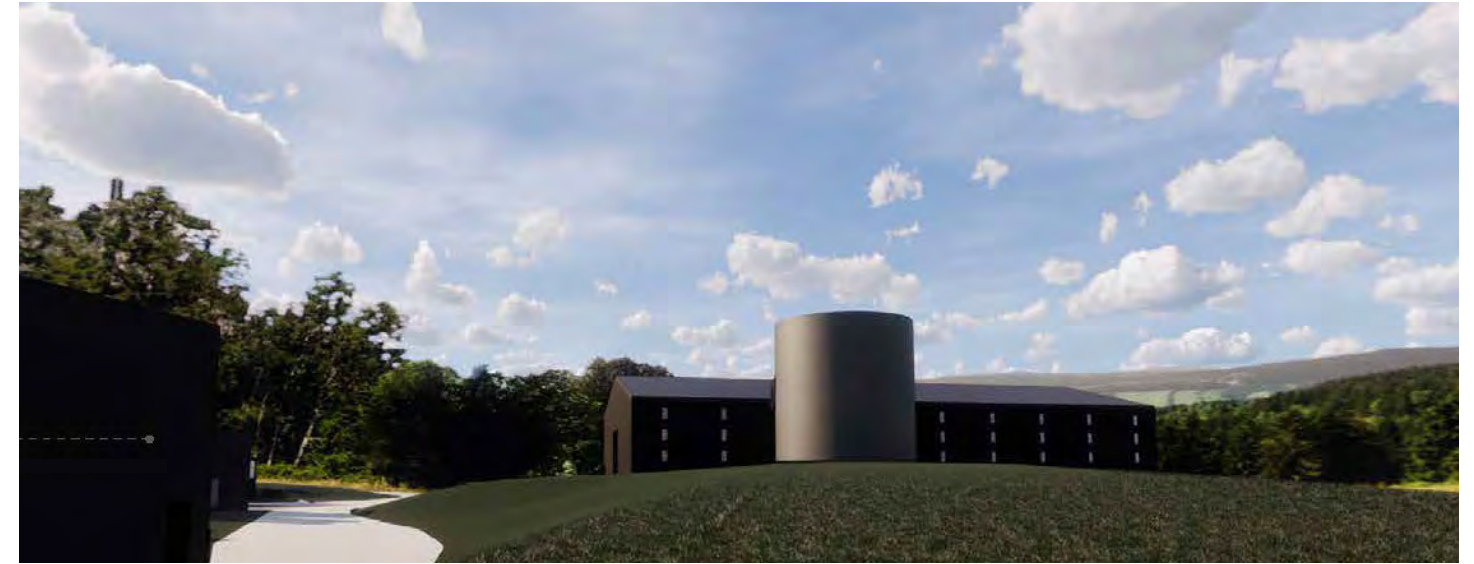


UPPER LEVEL

FUTURE PROJECT PLAN:

PHASE 2 - RACKHOUSE

The Company's new production equipment has the capacity to produce more than 8,000 whiskey barrels annually. A barrel "Rack House" is a necessity for any whiskey distillery as barrels take up a substantial amount of space. This facility is designed to hold up to five years of the Company's production and its utilization will be reevaluated regularly as part of the Company's ongoing assessment of its operational needs.



FUTURE PROJECT PLAN:

FUTURE PHASE

In the last decade we have seen the tourist trends showing a regular year-over-year increase in the number of visitors to Traverse City. Additionally, getting to Traverse City has become more convenient due to the airport serving 18 direct destinations.

As the profile of the Company has risen there has been a regular need for the Company hosting high-value customer groups, vendors, government officials, and media for exclusive tours and sales related activities at the Company's headquarters. At the present, the Company has been outsourcing housing arrangements to the limited-service options that are common in the area. Construction of the lodge will allow a complete realization of what the Traverse City Whiskey Co. experience is about.

The goal of the "Future phase" is to build a Bed & Breakfast style facility on the back on the property. The concept is a large common area and kitchen, with 8+ independent rooms and a large deck and area to host activities- providing a very up-north, controlled environment.



THE CAMPUS PLAN



TOURS / CLASSES

The distillery will be built with an emphasis on the guest experience. Visitors will enter the facility in a whiskey museum showcasing company history and all aspects of production (from grain to glass). From there, a guide will lead them through the entire production process with an interactive stop at grain handling, mashing, fermentation, distillation and barrel handling. The standard tour, offered daily @ \$15 per adult, will include whiskey samples and a thorough education and experience. There will also be additional VIP tours and classes available for the whiskey enthusiast.



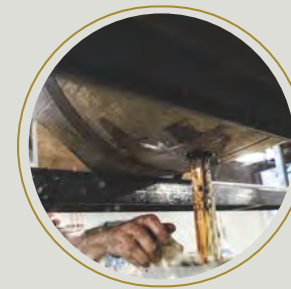
RETAIL

The facility entrance will include a temporary retail and tasting lounge area; “The Whiskey Shop”. Here, we will offer tastings and limited cocktail service and sell retail items such as apparel and bottles. The Whiskey Shop will have a collection of specialty items that will only be offered at this location.



COCKTAIL CHERRY PRODUCTION

The TCWC Premium Cocktail Cherry line of business has grown since its inception in 2018. The cherries are currently made by TCWC in partnership with a local fruit cooperative. With the increase in available space at the production facility, the company will be suited to bring more of the production and canning operation in-house.



CONTRACT PRODUCTION

As part of Phase 1, we have invested in more robust bottling and distillation equipment to service our current needs and accommodating all future growth – this will aid in a significantly more robust and lean production operation overall. In the last few years there has been explosive growth in the US Spirits Industry and the need for contract production has risen dramatically – people are starting brands across the world and have limited options for their distillation, bottling and packaging needs, especially when it comes to spirits unique to the USA (bourbon and rye whiskey, especially). Due to the efficiency of the equipment we are investing in, there will be sufficient capacity to help service the demand for this extremely profitable revenue stream which has been playing an increasing role in our production activities in the past two years. TCWC has more than five years’ experience contract producing, both as a customer itself and as a service provider for third parties. This includes distillation, batching, package/product compliance, formulation and label approval, storage, logistics, inventory management and reporting. This line of business perfectly complements the planned investment in production equipment.



DISTILLATION

Currently, our distillation equipment allows us to manufacture up to 300 barrels per year, operating at full capacity. We recently purchased equipment that will allow us to distill up to 8,000 barrels per year. Over the last eight years, to grow effectively, we have relied on contract production from several out-of-state distilleries to bridge the gap between what we can make and what we are selling. Although there is an upfront capital investment in purchasing and activating the distillation equipment, the >30% per barrel cost savings and additional control over our supply chain makes this an obvious choice.

LANDBANK ASSOCIATION SUPPORT

BLIGHTED DESIGNATION

The existing 35,000 sq ft building, which was a former cherry processing facility is currently dilapidated, unsafe and in unsightly condition. Through the final years that it was owned and managed by the previous tenant, any preventative maintenance and general upkeep was not completed and it now requires a substantial investment to bring it back to a usable state.

DEMOLITION

The property includes a century old farmhouse that is currently uninhabitable and is confirmed to be contaminated with asbestos. It has been condemned, is not fit for renovation and will need to be demolished before this project can be successful.

GRANT FUNDS

If available, the Company will eagerly pursue any grant funding that will support the realization of this project.

LOCAL JOB CREATION

Upon completion of the distillery and barrel warehouse, more than twenty-five new jobs will be created at both the professional and entry-level tier .

PROFESSIONAL - 8 FTE EMPLOYEES

- Finance
- Operations
- Production Management
- Facilities Management
- Sales
- Compliance
- General Management
- Customer Service

SUPPORT STAFF - 16 FTE EMPLOYEES

- Production Support
- Administrative Support
- Facilities Support
- Guest Relations

**BYLAWS
OF
LEELANAU COUNTY LAND BANK AUTHORITY**

An authority organized pursuant to
the Michigan Land Bank Fast Track Act and an
Intergovernmental Agreement between the Michigan Land Bank Fast Track Authority, and
the Treasurer of the County of Leelanau, Michigan

Adopted by the Board of Directors as of October 21, 2008,
with amendments through January 19, 2016

**BYLAWS
OF
LEELANAU COUNTY LAND BANK AUTHORITY**
Incorporated under the laws of the State of Michigan

**ARTICLE ONE
NAME, LOCATION AND OFFICES**

1.1 Name.

The name of this corporation shall be "Leelanau County Land Bank Authority" (hereinafter referred to as the "Corporation"). The Corporation may also elect to be identified simply as the "County Land Bank"

1.2 Office and Agent. The Corporation shall maintain an office in the State of Michigan, and shall have an agent whose address 8527 E. Government Center Dr., Suttons Bay MI 49682.

1.3

Other Offices. The principal office of the Corporation shall be located in the Government Center, 8527 E. Government Center Dr., Suttons Bay MI 49682. The Corporation may have other offices at such place or places, within the State of Michigan, as the Board of Directors may determine from time to time or the affairs of the Corporation may require or make desirable.

**ARTICLE TWO
PURPOSE AND GOVERNING INSTRUMENTS**

2.1

Public Body Corporate. The Corporation shall be organized and operated as a land bank authority under the provisions, of the Michigan Land Bank Fast Track Act, 2003 P.A. 258, 124.751 (the "Land Bank Act") and the Intergovernmental Agreement by and between the Michigan Land Bank Fast Track Authority and the Treasurer of the County of Leelanau Michigan, dated August 25, 2008 (hereinafter referred to as the Intergovernmental Agreement"). The Corporation is an authority governed by a Board of Directors.

2.2

Governing Instruments. The Corporation shall be governed by its articles of incorporation and its bylaws.

ARTICLE THREE

BOARD OF DIRECTORS

3.1

Powers and Duties of the Board of Directors

- (a) Except as otherwise provided in the articles of incorporation of the Corporation or in these bylaws, all the powers, duties, and functions of the Corporation conferred by the Land Bank, Act, the Intergovernmental Agreement, the articles of incorporation, these bylaws, other state statutes, common law, court decisions, or otherwise shall be exercised, performed, or controlled by the Board of Directors.
- (b) The Board of Directors shall be the governing body of the Corporation and shall have general charge of the affairs, property and assets of the Corporation it shall be the duty of the Board of Directors to determine the policies of the Corporation or changes therein, actively to prosecute the purposes and objectives of the Corporation, and, to this end, to manage and control all of its property and assets and to supervise the disbursement of its funds. The Board of Directors may adopt, by majority vote, such rules and regulations for the conduct of its business and the business of the Corporation as shall be deemed advisable, and, in the execution of the powers granted, may delegate certain of its authority and responsibility to an executive committee. Under no circumstances, however, shall any actions be taken which are inconsistent with the articles of incorporation and these bylaws. Members of the Board of Directors shall receive no compensation for service as a member of the Board of Directors, but shall be entitled to be reimbursed by the Corporation for actual and necessary expenses incurred in connection with performance of official functions of the Corporation subject to available appropriations.
- (c) The Board of Directors may, from time to time, appoint, as advisors, persons whose advice, assistance, and support may be deemed helpful in determining policies and formulating programs for carrying out the purposes and functions of the Corporation.

3.2

Initial and Regular Board of Directors. The Board of Directors of the County Land Bank shall consist of:

- (a) The Treasurer;
- (b) the County Board representative on the County Land Bank, and
- (c) other members as appointed by the County Board

3.3

Term of Office The Treasurer shall serve as a member of the Board of Directors without a term. Other members on a three year rotation basis.

3.4

Removal Other than the Treasurer, a director may be removed from office for cause by the Board of Commissioners of Leelanau County.

3.5

Vacancies Any vacancy in the Board of Directors, other than the Treasurer, arising at any time and from any cause, may be filled for the unexpired term by the Board of Commissioners of Leelanau County. Each director so appointed shall hold office until the expiration of his term, or the unexpired term of his predecessor, as the case may be, and until his successor is appointed.

3.6

Conflict of Interest A director who has a direct or indirect personal or financial interest in any matter before the

Corporation shall disclose his or her interest prior to any action on the matter by the Corporation, which disclosure shall become part of the record of the Corporation's official proceedings. The interested director shall further refrain from participation in the Corporation's action relating to the matter. Each director, upon taking office and annually thereafter, shall acknowledge in writing that they have read and agreed to abide by this section.

ARTICLE FOUR MEETINGS OF THE BOARD OF DIRECTORS

4.1

Regular Meetings. Notice of Regular meetings of the Board of Directors shall be held from time to time at such times and at such places as the Board of Directors may prescribe. Notice of the time and place of each such regular meeting shall be given by the secretary either personally or by telephone or by mail not less than seven (7) nor more than thirty (30) days before such regular meeting. The meetings of the Board of Directors shall be public, and the appropriate notice of such meetings provided to the public. Notice of any and all meetings of the Board of Directors shall be given in accordance with the Open Meetings Act, 1976 P.A. 267, as amended. The Board of Directors shall meet at least annually.

4.2

Special Meetings. Notice Special meetings of the Board of Directors may be called by or at the request of the Chairperson or by any three (3) of the directors in office at that time. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given by the secretary either personally or by telephone or by mail at least twenty-four (24) hours before such meeting.

4.3

Annual Meeting. The first meeting of the Board of Directors in each calendar year shall be deemed to be the annual meeting of the Board of Directors. All officers of the Board of Directors shall be elected at the annual meeting by the Board of Directors, unless a vacancy in such office occurs prior to the annual meeting, and each officer shall hold such office until the following annual meeting.

4.4

Waiver Attendance by a director at a meeting shall constitute waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called.

4.5

Quorum A majority of the Board of Directors shall be required to constitute a quorum for the transaction of business. The Board of Directors shall act by a majority vote at a meeting at which a quorum is present. A quorum shall be necessary for the transaction of business. Presence in person for both quorum and voting may include electronic communication by which such member is both seen and heard.

4.6

Vote Required for Action. Except as otherwise provided in these bylaws or by law, the act of a majority of the directors present at a meeting at which a quorum is present at the time shall be the act of the Board of Directors. Adoption, amendment and repeal of a bylaw are provided for in Article Twelve of these bylaws. Vacancies in the Board of Directors may be filled as provided in Section 3.5 of these bylaws.

4.7

Adjournments. A meeting of the Board of Directors, whether or not a quorum is present, may be adjourned by a majority of the directors present to reconvene at a specific time and place. Notice of any reconvened meeting of the Board of Directors shall be given in accordance with the Open Meetings Act, 1976 P.A. 267, as amended. At any such reconvened meeting at which a quorum is present, any business may be transacted which could have

been transacted at the meeting which was adjourned.

ARTICLE FIVE NOTICE AND WAIVER

5.1

Procedure. Whenever these bylaws require notice to be given to any director, the notice shall be given as prescribed in Article Four. Whenever notice is given to a director by mail, the notice shall be sent first-class mail by depositing the same in a post office or letter box in a postage prepaid sealed envelope addressed to the director at his or her address as it appears on the books of the Corporation; and such notice shall be deemed to have been given at the **time** the same is deposited in the United States mail.

5.2

Waiver. Whenever any notice is required to be given to any director by the articles of incorporation or by these bylaws a waiver thereof in writing signed by the director entitled to such notice, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent thereto but only in those circumstances in which such notice is not required by law.

ARTICLE SIX BOARD OF ADVISORS

6.1

Appointment. The Board of Directors may appoint such persons as it reasonably deems necessary or desirable to act as the Board of Advisors of the Corporation. To the extent possible, the Board of Advisors should consist of representatives of the community who have demonstrated an interest in and commitment to the redevelopment of properties within the geographical boundaries of Leelanau County. The number of persons appointed to constitute the Board of Advisors shall be determined in the sole discretion of the Board of Directors.

6.2

Purpose. It shall be the function and purpose of the Board of Advisors to advise the Board of Directors on matters relating to the business and affairs of the Corporation, and to suggest or be available for consultation with regard to projects or activities which the Corporation may undertake, consistent with its purposes, in furtherance of its goals and objectives. The Board of Advisors shall serve solely in an advisory capacity.

ARTICLE SEVEN OFFICERS

7.1

Number and Qualifications. The officers of the Corporation shall be members of the Board of Directors and shall consist of a Chairperson, who shall act as the chairperson of the Board of Directors, a secretary, a treasurer, and such other officers as may be designated by the Board of Directors. The Chairperson of the Corporation shall be the Treasurer of Leelanau County.

7.2

Removal. Any officer of the Corporation other than the Chairperson may be removed as an officer by the Board of Directors of the Corporation with or without cause at any time.

7.3

Chairperson. The Chairperson shall be the principal executive officer of the Corporation and shall preside at all meetings of the Board of Directors. Subject to any policies adopted by the Board of Directors, the Chairperson shall have the right to supervise and direct the management and operation of the Corporation and to make all decisions as to policy and otherwise which may arise between meetings of the Board of Directors, and the other officers and employees of the Corporation shall be under the Chairperson's supervision and control during such

interim. The Chairperson shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe.

7.4

Vice-Chairperson. The Vice-Chairperson, if such office has been designated by the Board of Directors, shall, in the absence or disability of the Chairperson, perform the duties and have the authority and exercise the powers of the Chairperson. The Vice Chairperson shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the Chairperson may from time to time delegate.

7.5

Secretary. The secretary shall attend all meetings of the Board of Directors and record all votes, actions and the minutes of all proceedings in a book, to be kept for that purpose and shall perform like duties for the executive and other committees when required.

- (a) The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors.
- (b) The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board of Directors or the Chairperson, affix it to any instrument requiring it. When so affixed, it shall be attested by his or her signature or by the signature of the treasurer.
- (c) The Secretary shall be under the supervision of the Chairperson. He or she shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time delegate.

7.5

Treasurer.

- (a) The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the Corporation and shall deposit all monies and other valuables in the name and to the credit of the Corporation into depositories designated by the Board of Directors.
- (b) The Treasurer shall disburse the funds of the Corporation as ordered by the Board of Directors, and prepare financial statements each quarter or at such other intervals as the Board of Directors shall direct.
- (c) The Treasurer shall be under the supervision of the Chairperson. The Treasurer shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the Chairperson may from time to time delegate.

ARTICLE EIGHT COMMITTEES OF DIRECTORS

8.1

Executive Committee. By resolution adopted by a majority of the directors in office, the Board of Directors may designate from among its members an executive committee which shall consist of three (3) or more directors, including the Chairperson or a Vice Chairperson of the Corporation, which executive committee, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Corporation; provided, however, the designation of such executive committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed upon it or him by law and such executive committee may not do the following:

- (a) Approve the dissolution or the sale, pledge, or transfer of all or substantially all of the Corporation's assets;
- (b) Elect, appoint, or remove directors or fill vacancies on the Board of Directors or on any of its committees; or
- (c) Adopt, amend, or repeal the Corporation's Articles of Incorporation or these Bylaws.

8.2

Other Committees of Directors. Other committees, each consisting of two (2) or more directors, not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated by a resolution adopted by a majority of directors present at a meeting at which a quorum is present. Such resolution, shall assign the duties and responsibilities of such committees. Except as otherwise provided in such resolution, members of each such committee shall be appointed by the Chairperson of the Corporation. Any member of any committee may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Corporation shall be served by such removal.

8.3

Term of Appointment. Each member of a committee shall continue as such until his successor is appointed, unless the committee shall be sooner terminated, or unless such member shall be removed from such committee, or unless such member shall cease to qualify as a member thereof.

8.4

Chairman. One member of each committee shall be appointed chairman thereof.

8.5

Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

8.6

Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum; and the act of a majority of members present at a meeting at which a quorum is present shall be the act of the committee.

8.7

Rules. Each committee may adopt rules for its own government, so long as such rules are not inconsistent with these bylaws or with rules adopted by the Board of Directors.

ARTICLE NINE EMPLOYEES, CONTRACTED SERVICES

9.1

Employees. The Corporation may employ or otherwise contract for the services of any staff deemed necessary to carry out the duties and responsibilities of the Corporation. Such staff may be employed as employees of the Corporation, or the services of such staff may be retained pursuant to contracts with Leelanau County, with the Treasurer of Leelanau County, or other public or private entities.

9.2

Executive Director. The Board of Directors may select and retain an Executive Director. An Executive Director selected and retained by the Board of Directors shall administer the Corporation in accordance with the operating budget adopted by the Board of Directors, general policy guidelines established by the Board of Directors, other applicable governmental procedures and policies, and the Intergovernmental Agreement. The Executive Director shall be responsible for the day-to-day operations of the Corporation, the control, management, and oversight of the Corporation's functions; and supervision of all Corporation employees. All terms and conditions of the Executive Director's length of service shall be specified in a written contract between the Executive Director and the Board of Directors, provided that the Executive Director shall serve at the pleasure of the Board of Directors.

ARTICLE TEN CONTRACTS, CHECKS, DEPOSITS AND FUNDS

10.1

Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. Such authority must be in writing and may be general or confined to specific instances. In the absence of such express authority granted by the Board of Directors, or a vacancy in the office to which the authority is delegated by the Board of Directors, the Chairperson shall have all authority necessary and appropriate to execute any and all documents, instruments and agreements on behalf of the Corporation.

10.2

Checks, Drafts, Notes, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation and in such other manner as may from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the Chairperson or the Vice-Chairperson of the Corporation. The Board of Directors shall require all individuals who handle funds of the Corporation to qualify for a security bond to be obtained by the Corporation, at the expense of the Corporation, in an amount not less than \$100,000.00.

10.3

Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

10.4

Gifts. The Corporation may acquire by gift, bequest, or devise any real or personal property or interests in real or personal property for the general purposes or for any special purpose of the Corporation on terms and conditions and in a manner the Board of Directors considers appropriate.

ARTICLE ELEVEN MISCELLANEOUS

11.1

Books and Records. The Corporation shall keep and maintain at the principal office of the Corporation all documents and records of the Corporation. The records of the Corporation shall include, but not be limited to, a copy of the Intergovernmental Agreement along with any amendments to the Intergovernmental Agreement. The records shall also include correct and complete books and records of accounts and minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors. All records of the Corporation shall be made available to the public to the extent required by the Michigan Freedom of Information Act, 1976 P.A. 442, as amended. Not less than annually the Corporation shall file with the parties to the Intergovernmental Agreement, and with the Board of Commissioners of Leelanau County a report detailing the activities of the Corporation and any additional information as requested by such parties.

11.2

Corporate Seal. The corporate seal (of which there may be one or more exemplars) shall be in such form as the Board of Directors may from time to time determine.

11.3

Fiscal Year. The fiscal year of the Corporation shall begin on October 1 of each year and end on the following September 30.

11.4

Budget. The Board of Directors shall adopt annually a budget for all operations, income, expenses and assets. The Corporation shall be subject to and comply with the Budget Act, 1968 PA 2, MCL 14 1.421 to 141.440a.

The Executive Director shall prepare and the Board of Directors shall approve a budget for the Corporation for each Fiscal Year. Each budget shall be approved by the September 1 immediately preceding the beginning of the Fiscal Year of the Corporation.

11.5

Audit. The Corporation shall provide for the conduct of audits in accordance with section 6 to 13 of the Budget Act, 1968 PA 2, MCL 141.421 to 141.440a, which shall be made available to the parties to the Intergovernmental Agreement. The Corporation shall establish a dedicated audit committee of the Board of Directors for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of its financial statements. The Corporation shall establish specific duties and obligations of the audit committee and standards and qualifications for membership on the audit committee. The Corporation may require at least one member to be specifically knowledgeable about financial reports.

11.6

Construction. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these bylaws shall be invalid or inoperative, then, so far as is reasonable and possible:

- (a) The remainder of these bylaws shall, be considered valid and operative.
- (b) Effect shall be given to the intent manifested by the portion held invalid or inoperative.

11.7

Headings. The headings are for organization, convenience and clarity. In interpreting these bylaws, they shall be subordinated in importance to the other written material.

11.8

Relation to Articles of Incorporation. These bylaws are subject to, and governed by, the articles of incorporation and the Land Bank Act.

ARTICLE TWELVE AMENDMENTS

12.1

Power to Amend Bylaws. The Board of Directors shall have the power to alter, amend, or repeal these bylaws, or adopt new bylaws; provided, however, that the Board of Directors shall have no power or authority to make any changes in the bylaws which would be inconsistent with the Land Bank Act or the Intergovernmental Agreement.

12.2

Conditions. Action by the Board of Directors with respect to these bylaws shall be taken by the affirmative vote of a majority of all directors then holding office.



LEELANAU COUNTY

LAND BANK FAST TRACK AUTHORITY

POLICIES AND PROCEDURES

Adopted

November 19, 2019

INTRODUCTION

The Leelanau County LCLBA Fast Track Authority a.k.a., Leelanau County Land Bank Authority (LCLBA) was established on August 25, 2008 under the Michigan Land Bank Fast Track Act (Public Act 258 of 2003, as amended). The Leelanau County Land Bank Authority was created by the County Board of Commissioners in concert with the Leelanau County Treasurer who was responsible for negotiating a cooperative agreement with the State of Michigan Land Bank Fast Track Authority. In addition to the county treasurer who, by law, must be a member of the LCLBA, the other members are appointed by the Leelanau County Board of Commissioners. The LCLBA has the authority to select and retain an Executive Director, however, in lieu of an Executive Director, the Chairman has ultimate authority. The entire board consists of seven (7) members.

The Michigan Land Bank Fast Track Act (Public Act 258 of 2003, as amended) provides for the creation of county land bank fast track authorities to:

- a. assist governmental entities in the assembly and clearance of title to property in a coordinated manner;
- b. facilitate the use and development of certain property;
- c. promote economic growth;
- d. prescribe the powers and duties of certain authorities;
- e. provide for the creation and appointment of boards to govern land bank fast track authorities and to prescribe their powers and duties;
- f. authorize the acquisition, maintenance, and disposal of interests in real and personal property;
- g. authorize the conveyance of certain properties to a land bank;
- h. authorize the enforcement of tax liens and the clearing or quieting of title by a land bank;
- i. provide for the distribution and use of revenues collected or received by a land bank;
- j. authorize the transfer and acceptance of property in lieu of taxes and the release of tax liens;
- k. exempt property, income, and operations of a land bank from tax; and
- l. extend protections against certain liabilities to a land bank.

Similarly, the purpose of the LCLBA is to assemble or dispose of public property, including tax reverted property, in a coordinated manner to foster the development of property, which in the judgment of the LCLBA Board should contribute to public good, and/or to promote economic growth in Leelanau County and in the local units of government within the county.

The acquisition and disposition of properties owned and managed by the LCLBA and its operations are in accordance with the Michigan Land Bank Fast Track Act, PA 258 of 2003, as amended; PA 259 of 2003 which amends the Brownfield Redevelopment Financing Act (PA 381 of 1996); the Tax Reverted Clean Title Act, PA 260 of 2003, as amended; PA 261 of 2003 which amends the General Property Tax Act (PA 206 of 1893), as amended; the Brownfield Redevelopment Financing Act (PA 381 of 1996, as amended), its operational By-Laws, and the general policies and procedures contained herein.

The purpose of these Policies and Procedures is to establish general principles on which sound decisions can be made and to determine specific parameters to guide the actions of the LCLBA. The LCLBA may amend these policies and procedures from time to time by resolution of the Board of Directors of the LCLBA (the “LCLBA Board”).

As an owner of property in the county, the LCLBA, within budgetary constraints, will make all reasonable efforts to:

1. maintain its property,
2. prevent the property from being a blighting influence,
3. prevent the property from being a danger, and
4. return the property to productive use consistent with the plans and goals of the community.

A. MISSION STATEMENT

The mission of the Leelanau County Land Bank Fast Track Authority is to enhance tax base by returning tax reverted properties to the tax rolls and to partner with community stakeholders to acquire and redevelop undervalued properties to support workforce housing and economic development. *(Adopted 3-15-2011) (Adopted 1-13-2016)*

B. GOALS

1. Programmatic

- a. Use the LCLBA disposition program to promote the economic development and/or redevelopment in the creation of jobs that will promote the year-round economy of the county.
- b. Collaborate with other agencies to develop a comprehensive approach and a “one-stop-shop” for developers to access the LCLBA, Brownfield and the Economic Development Corporation development tools, including but not limited to access to grant funds, low interest loans and tax credits.

- c. Maintain an inventory of properties for potential development projects that will achieve the priority land uses established in the LCLBA 's policies.
- d. Establish a side lot program and convey all non-developable properties as they become tax foreclosed, to facilitate the elimination of abandoned property that is not on the tax rolls.
- e. Create an evaluation system to effectively analyze all property transfer requests.

2. Organization

- a. Create policies and procedures that will govern the decision making of the LCLBA consistent with the organization's programmatic goals.
- b. Keep the LCLBA operating as efficiently as possible by collaborating with existing programmatic capacity at the County and other nonprofit and governmental agencies. This would include incorporating housing programs into the LCLBA, when applicable.
- c. Create a communication plan to ensure public awareness of the LCLBA programs and how they can be accessed. In addition, the plan should cultivate dialogue and education on an ongoing basis.
- d. Establish a board and staff development training program which is dedicated to comprehensive and ongoing member education. This can be accomplished in several ways including mini trainings at board meetings, literature reviews, conference attendance, and consultant visits. *(Approved January 18, 2011)*

LAND BANK PROGRAM IMPLEMENTATION

A. ACQUISITION OF PROPERTY

The following criteria shall be considered in determining property to be acquired by the LCLBA, to facilitate development, in conjunction with the acquisition of property, to carry out the purpose of the LCLBA or to enhance the operation and function of the LCLBA:

- 1. Property which is strategic to implementing an economic development, neighborhood stabilization or revitalization plan or strategy undertaken by the LCLBA.
- 2. Property which is strategic to implementing an economic development, neighborhood stabilization or revitalization plan or strategy undertaken by a local government entity pursuant to an intergovernmental agreement with the LCLBA.
- 3. Property which is strategic to implementing an economic development, neighborhood stabilization or revitalization plan or strategy undertaken by a nonprofit corporation pursuant to a community or neighborhood plan approved by the local political jurisdiction.

4. Property necessary to complete a land assembly project to enhance the marketability of or to protect property already held by the LCLBA.
5. Property that promotes health, safety and welfare.
6. Property that will generate financial resources for the operation and function of the LCLBA.

The LCLBA may acquire property as permitted by law. In determining the nature and extent of property to be acquired, the LCLBA shall consider the value of the property, the financial resources available for acquisition, the capacity of the LCLBA to own and manage the property, and the projected length of time required to convey or utilize the property for the purpose intended by the LCLBA in acquiring the property. All acquisitions shall require the approval of the LCLBA Board.

B. POLICIES GOVERNING THE ACQUISITION OF NON-TAX-FORECLOSED PROPERTIES

The Land Bank Fast Track Act, 2003 PA 258, MCL 124.755 et seq allows for the direct purchase of property. While the foundation of the LCLBA is property acquired through the tax foreclosure process, there will be opportunities for direct purchase of mortgage foreclosed, redevelopment project, and other properties that represent the mission of the LCLBA.

Policies and Procedures to carry out these Priorities are:

1. Accumulate property information such as assessment data, map location, photos, code violation information, zoning and other pertinent information regarding the property.
2. Personal inspection of the interior/exterior of the property.
3. Evaluate the need to conduct, if necessary, environmental due diligence (All Appropriate Inquiry) on the subject property since land banks are not exempt from environmental liability when property is acquired involuntarily.
4. Obtain appraisal or market value estimate.
5. Submit all information to the chairman or executive director to establish purchase price and approval.
6. If purchase price is over \$100,000, LCLBA board approval is required.
7. All commercial property acquisition requires LCLBA board approval.

C. DISPOSITION OF PROPERTY

1. Conveyances

The following apply to the conveyance of property:

- a. Real property conveyances by the LCLBA will be made directly by the LCLBA to the individual or entity responsible for undertaking the proposed development and in accordance with its stated use of the property.
- b. The LCLBA will not convey real property to an individual or entity for future speculative conveyances to third parties. However, simultaneous closings involving property of the LCLBA may occur.
- c. The LCLBA will not convey real property to an individual or entity that was the prior owner of any real property in Leelanau County that was tax foreclosed.
- d. Conveyance(s) will be made at the sole discretion of the LCLBA.
- e. The consideration received by the LCLBA for any conveyance will be determined in the sole discretion of the LCLBA.
- f. Once a property is sold or otherwise conveyed by the LCLBA, the LCBA will collect 50% of a five-year specific tax as allowed by PA 260 of 2003.

2. Property Specific Criteria

The following criteria will be considered to determine property that will be conveyed by the LCLBA:

- a. to facilitate development pursuant to 2003 PA 258,
- b. to better carry out the purpose of the LCLBA, or
- c. to enhance the operation and function of the LCLBA.

The LCLBA will consider the following factors in pricing and conveying property:

- i. The proposed use of the property with emphasis on returning the property to taxable status or conveyance, which in the judgment of the LCLBA Board contributes to public good.
- ii. Development which results in preserving and rehabilitating neighborhoods, promoting affordable homeownership and multiple family housing, as well as facilitating economic development and creating jobs.
- iii. The feasibility of the proposed development including financial resources, time frame for completion, site suitability including, but not limited to, size, location, land use, environmental issues, and infrastructure requirements.
- iv. The stability, ability, financial resources, nature, identity and capacity of the proposed purchaser including development experience and readiness to commence and complete development.

- v. The potential impact of the conveyance on community and neighborhood plans approved by the local unit of government(s) with emphasis on preserving, stabilizing and restoring neighborhoods, improving and modernizing commercial and industrial areas, remediating environmental issues and/or promoting compatible uses of land.
- vi. The potential for the conveyance to generate proceeds to support and enhance the operation and function of the LCLBA.

The LCLBA may convey any property in its inventory in its sole discretion and establish disposition programs, including programs designed for specific areas.

D. GENERAL AGREEMENTS WITH LOCAL UNITS OF GOVERNMENT

The LCLBA may enter into Agreements with local units of government. The intent of the Agreements is to share information on a continuing basis to identify the parcels of property within a specific geographical area that are owned by the LCLBA. Once identified, the LCLBA and local units of government can solicit, receive and evaluate requests and proposals for the conveyance of property held by either the LCLBA or by a local unit of government. Once received, the LCLBA and the local unit of government can prepare recommendation packages for conveyance including information on the proposed purchaser, the proposed use of the property, and the consideration. Appropriate notice requirements to the LCLBA and the local unit of government will be followed in relation to the proposed conveyance of any property.

Note: Agreements will provide that the party holding legal title of the property to be conveyed will make final approval of the conveyance. The Executive Director or Chairman of the LCLBA may execute agreements consistent with this policy.

E. Requirements of Conveyance

The LCLBA, in its sole discretion, will determine all other terms and conditions of the conveyance. The documents that the LCLBA may use to convey an interest in property may include but are not limited to a quitclaim deed, a lease, a land contract and a grant of easement, as authorized by law and/or a development agreement.

F. TERMS OF CONVEYANCE

The following terms will be used to establish the consideration to be received by the LCLBA for the conveyance of real property.

1. It is the LCLBA's intent that the minimum monetary consideration will be no less than the Property Cost. "Property Cost" means the direct and indirect costs and expenses

attributable to the property including, but not limited to, cost allocation for overhead, costs of acquisition, maintenance, repair, rehabilitation by or on behalf of the LCLBA, demolition, marketing and litigation to quiet title.

2. The value of the property will be established by an appraisal or other valuation as determined by the LCLBA.

The LCLBA, in its sole discretion, will determine the consideration and terms of conveyance.

G. USE

Prior to conveying the property, the range of uses that will be considered by the LCLBA (which are not in any particular order of importance) include, but are not limited to the following:

- a. Dedication to public use by a governmental entity.
- b. Homeownership and affordable housing.
- c. Return of the property to taxable status.
- d. Land assemblage for economic development.
- e. Provision for financial resources for operating functions of the LCLBA.
- f. Green space or conservation purposes.
- g. Elimination of blight.
- h. Uses for childcare.
- i. Dedication to use by a social, educational or faith-based institution.
- j. Recreation centers.
- k. Agricultural uses.

H. ADJACENT LOT DISPOSITION PROGRAM

Property may be conveyed to an adjacent property owner in the LCLBA's sole discretion.

1. Qualified Property

Property eligible for inclusion in the Adjacent Lot Disposition Program must meet the following minimum criteria:

- a. The Property is used for residential purposes and has a common boundary line with the Purchaser's property.
- b. The Property is not buildable according to current zoning and building codes.
- c. The Property is not part of a proposed plan or development supported by the local unit of government requiring land assembly.

2. Purchaser(s)

To convey property to Purchaser(s), the LCLBA will determine the following:

- a. Purchaser(s) own a contiguous property.
- b. When more than one adjacent property owner exists and each wants the same adjacent Property, the Property may be conveyed in whole or divided and conveyed at the discretion of the LCLBA. The LCLBA staff may contact adjacent property owners to ascertain interest in the Property.
- c. Purchaser(s) has submitted a completed application to the LCLBA indicating the address(es) of the Properties to be purchased.
- d. Purchaser(s) are current on all property taxes owed for parcels within the county held by said purchaser.
- e. Purchaser(s) has submitted any financial information requested by the LCLBA.
- f. Purchaser(s) has submitted any other information requested by the LCLBA.

3. Consideration

Property conveyed through the Adjacent Lot Disposition Program will have the consideration determined by the LCLBA, in its sole discretion.

I. APPLICATION PROCESS

1. Application from an Individual

For Individual Purchasers, other than those applying for property offered through the Adjacent Lot Program, the LCLBA will consider a completed application from Individual Purchaser(s), which includes, but is not limited to the following:

- a. The address(es), legal description(s), and recent photos of the property to be purchased.
- b. The proposed development and/or use of the property.
- c. The time frame for rehabilitation, improvement or development.
- d. Financial documentation, which includes but is not limited to a Pre-Qualification Letter from a Lender (if financing the transaction).
- e. Proof of personal identification by an official state or federal document.

2. Applications from Organizations

For Organizations, including but not limited to, nonprofit corporations, partnerships, institutions, community groups, limited liability corporations, and joint ventures, the LCLBA will consider a completed application from Organizations, which includes, but is not limited to the following:

- a. The address(es), legal description(s), and recent photos of the property to be purchased.
- b. The proposed development and/or use of the property.
- c. Names of key individuals on the Development Team.
- d. The time frame for rehabilitation, improvement or development.
- e. Financial documentation, which includes but is not limited to a Pre-Qualification Letter from a Lender (if financing the transaction).

3. LCLBA Review

The LCLBA staff will attempt, within ninety (90) days of receiving a completed application, to complete a review of the application. After review, the LCLBA staff will notify the applicant of the determination or request additional information.

J. CONVEYANCES REQUIRING BOARD APPROVAL AND EXECUTIVE DIRECTOR/CHAIRMAN AUTHORITY

1. Conveyances Requiring Board Approval

The Executive Director/Chairman can approve all conveyances with the following exceptions which require Board approval:

- a) Any conveyance for which the ultimate use of the property will result in an exemption from property taxes.
- b) Conveyances for projects containing greater than fifteen (15) parcels.
- c) Conveyances involving transactions greater than \$100,000 in value.
- d) Any transaction not specifically authorized shall require LCLBA Board approval.

2. Executive Director/Chairman Authority

The Executive Director/Chairman of the LCLBA may enter into agreements to finalize property transactions and execute conveyances on behalf of the LCLBA regarding the following:

- a) Conveyances issued pursuant to the Adjacent Lot Disposition Program.
- b) Conveyances of fifteen (15) parcels or less, unless to a single purchaser during the LCLBA's fiscal year.
- c) Conveyances approved by the LCLBA Board.

Other restrictions notwithstanding, the Executive Director/Chairman may contract for demolition of a structure on LCLBA owned property provided that the demolition contract is less than

\$50,000.00, and the contract complies with applicable procurement requirements. Additionally, the Executive Director/Chairman may enter into a Temporary License or an Agreement & Consent to Enter State-Owned Property as determined by the Executive Director/Chairman to be in the best interest of the LCLBA.

3. Reporting Requirement

All conveyances entered into by the Executive Director/Chairman will be reported in writing to the LCLBA Board at the next LCLBA Board meeting.

K. Policy on Borrowing Money, Issuing Bonds or Notes

The LCLBA Board by resolution can authorize the LCLBA to borrow money and issue bonds and notes according to the Act.