

South Haven Area Recreation Authority
Tuesday, September 18, 2012
7:00 p.m., South Haven Charter Township Hall
09761 Blue Star Highway

AGENDA

1. Call to order
2. Roll Call
3. Approval of Meeting Minutes
 - A. May 15, 2012 Board Meeting
4. Approval of Agenda
5. Interested citizens in the audience will be heard on items not on the agenda
6. Financial Reports:
 - A. Approval of SHARA finance report
 - B. Authority Board will be updated on the SHARP financial statement.
 - C. Approval of SHARA FY 2012 budget amendment.
 - D. Authority Board will be updated on two grants to be received.
 - E. Approval of SHARA 2012 audit engagement, \$2,025 total expense.
7. Authority Board will be updated on the status of the construction plans, for the SHARP site, by Midwest Civil Engineers.
8. Authority Board will be updated on the status of the Pilgrim Haven property by representatives from the Southwest Michigan Land Conservancy (SWMLC).
 - A. Approval of Pilgrim Haven Letter of Intent.
9. Adjourn

Respectfully Submitted,
Brian Dissette
South Haven City Manager

**South Haven Area Recreation Authority (SHARA)
Regular Meeting**

**Tuesday, May 15, 2012
7:00 p.m., South Haven Charter Township Hall**

MINUTES

1. Call to Order

Meeting Opened at 7:01 p.m.

2. Roll Call

Members Present: Mr. Dennis Fitzgibbon, Mr. Dana Getman, Mr. Ross Stein

Absent: Mr. Mark McClendon

Guests: Mr. Brian Dissette, City Manager, City of South Haven
Mr. Mike Dopp, PE, Midwest Civil Engineers

3. Approval of Meeting Minutes:

March 20, 2012 Board Meeting: Motion by Getman, seconded by Fitzgibbon to approve the minutes as presented. All in favor, motion carried.

4. Approval of Agenda:

Motion by Getman, seconded by Fitzgibbon to approve the agenda of the May 15, 2012 meeting. All in favor, motion carried.

5. Interested Citizens in the Audience Will Be Heard on Items Not on the Agenda:

None.

6. Approval of the SHARA Finance Report:

- a) The Board discussed the SHARA Finance Report, noting the SHARA account now has a balance of \$98,031.77. Dissette noted that the report illustrates bank interest has been paid.

Motion by Fitzgibbon, seconded by Getman to approve the SHARA finance report. All in favor, motion carried.

- b) The Board received an update on the SHARP account, which now has a balance of \$30,208.14.

7. Approval of the SHARA FY 2012 Annual Invoices:

Dissette presented the Board with the updated annual invoices to the City of South Haven and South Haven Charter Township. Dissette noted that the proposed invoice amount to the City of South Haven had been increased to \$2.00 per capita. Dissette noted that the increased billing amount was related to the costs of maintaining the authority structure, which had higher annual operating costs than initially anticipated. Those costs are related to the annual audit and insurance provided for the organization, which have been higher than initially estimated. Stein noted that the Township's contribution could be reviewed, but expressed a need to delay any increase until a review of the Township's budget can be completed.

Motion by Fitzgibbon, seconded by Getman to approve the annual SHARA invoices. All in favor, motion carried.

8. Update on the status of the SHARP site construction plans:

The Board was provided an update on the SHARP site construction plans by Mr. Mike Dopp, Midwest Civil Engineers (MCE). Dopp noted that MCE is making progress on the SHARP construction plans. MCE continues to meet with Fitzgibbon to discuss the plans. Dopp noted that MCE has nearly completed the concession stand plans. MCE is considering options for the finalizing the landscaping plan for the site. MCE is now working to complete the electric system design for the site, and working to secure costs from Consumers Energy to relocate the overhead lines currently on the site. Final design documents are anticipated to be ready in July, for the SHARA Board's review. Fitzgibbon noted that he plans to continue meeting with MCE, as the final plans are developed.

9. Update on the status of the Pilgrim Haven site:

The Board was provided an update on the status of the Pilgrim Haven site lease proposal by Dissette. Dissette noted that a draft lease proposal was developed with input from Mr. Ross Stein and Mr. Peter Ter Louw, Southwest Michigan Land Conservancy (SWMLC). Ter Louw is currently reviewing the lease proposal and will provide his comments to Dissette in the coming weeks. Dissette noted the lease concept seeks to partner SHARA and SWMLC, to allow SHARA to manage the property and allow the public to enjoy the site. Stein expressed concern about the park hours, and advised the lease mirror the hours provided for the existing parks in South Haven Charter Township. Stein also noted that the lease should allow SHARA to close the park during the winter, to avoid the plowing expense. Fitzgibbon noted that the lease should allow SHARA to set the rules for the site, to ensure the long term management of the site is acceptable to SHARA. Dissette stated that he will work with Ter Louw to incorporate SWMLC's revisions into the lease, and then plan to present a final version of the agreement at an upcoming SHARA meeting.

11. Adjourn

Motion by Getman, seconded by Fitzgibbon to adjourn the meeting. All in favor, motion carried. The meeting was adjourned at 8:05 p.m.

Respectfully submitted by,

Brian Dissette
City Manager, City of South Haven

SHARA Meeting Minutes

May 15, 2012

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South Haven Area Recreational Authority (SHARA)

ID # 45-2387500

<u>Date</u>	<u>Check #</u>	<u>Description</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
11-Nov-11	F	Hardt Insurance		850.00	114,940.18
					114,090.18
30-Nov-11	Deposit	Chemical Bank November Interest	10.00		114,100.18
31-Dec-11	Deposit	Chemical Bank December Interest	14.54		114,114.72
			24.54	850.00	
					114,114.72
31-Jan-12	Deposit	Chemical Bank January Interest	14.50		114,129.22
29-Feb-12	Deposit	Chemical Bank February Interest	13.56		114,142.78
			28.06	0.00	
15-Mar-12	1101	Midwest Civil Engineers Final Site Plan for SHARP Project		288.55	113,854.23
15-Mar-12	1102	Midwest Civil Engineers Construction Design - Phase I		9,405.00	104,449.23
31-Mar-12	Deposit	Chemical Bank March Interest	13.99		104,463.22
13-Apr-12	1103	Midwest Civil Engineers Construction Design - Phase I		6,444.00	98,019.22
30-Apr-12	Deposit	Chemical Bank April Interest	12.55		98,031.77
			26.54	16,137.55	
30-May-12	1104	VOID			
30-May-12	1105	Midwest Civil Engineers Construction Design - Phase I		2,034.00	95,997.77
30-May-12	Deposit	Chemical Bank May Interest	12.45		96,010.22
15-Jun-12	Deposit	South Haven Township SHARA Support	3,983.00		99,993.22
30-Jun-12	Deposit	Chemical Bank June Interest	12.09		100,005.31
			4,007.54	2,034.00	
20-Jul-12	1106	Midwest Civil Engineers Construction Design - Phase 1		6,195.00	93,810.31
31-Jul-12	Deposit	Chemical Bank July Interest	11.36		93,821.67
31-Aug-12	Deposit	Chemical Bank August Interest	7.95		93,829.62
			19.31	6,195.00	

City of South Haven
SHARP Cast Receipts & Expenditures

	Donations	Interest Earnings	Expenses	Applied to Land Purchase	Administrative Assistant	Cash Balance	Loan Balance
Nov-02	2,650.00	2.57				2,652.57	
Dec-02	100.00	2.52				2,755.09	
Jan-03		1.55				2,756.64	
Feb-03		1.88				2,758.52	
Mar-03		1.20				2,759.72	
Apr-03		1.47				2,761.19	
May-03	200.00	2.04				2,963.23	
Jun-03	644.00	2.84				3,610.07	
Jul-03		2.46				3,612.53	
Aug-03		2.13				3,614.66	
Sep-03		2.67				3,617.33	
Oct-03		2.85				3,620.18	
Nov-03	1,000.00	5.08				4,625.26	
Dec-03		2.89				4,628.15	
Jan-04	10,605.00	6.91	849.00			14,391.06	
Feb-04	1,933.48	11.33	290.33			16,045.54	
Mar-04	5,037.00	12.53	110.35			20,984.72	
Apr-04	220.00	12.21	36.25			21,180.68	
May-04	1,779.35	10.66	191.91			22,778.78	
Jun-04	300.00	18.75	300.00			22,797.53	
Jul-04	6,170.00	20.47	4,000.00			24,988.00	
Aug-04	200.00	20.55	5,250.00			19,958.55	
Sep-04	98.60	22.56	1,250.00			18,829.71	
Oct-04	200.00	20.74	10.35			19,040.10	
Nov-04	662.00	24.38				19,726.48	
Dec-04	5,000.00	24.53				24,751.01	
Jan-05	5,315.51	31.65	4,522.08			25,576.09	
Feb-05		34.06				25,610.15	
Mar-05	4,307.93	40.80	60.00			29,898.88	
Apr-05		38.93				29,937.81	
May-05		67.53				30,005.34	
Jun-05	1.59	41.81				30,048.74	
Jul-05		40.18				30,088.92	
Aug-05		40.74				30,129.66	
Sep-05	426.59	49.54				30,605.79	
Oct-05		85.37			7,500.00	23,191.16	
Nov-05		43.30	800.00			22,434.46	
Dec-05	1.59	46.81	3,000.00			19,482.86	
Jan-06		46.60	2,141.50			17,387.96	
Feb-06		36.99	962.24			16,462.71	
Mar-06		35.94	21.00			16,477.65	
Apr-06	1.65	36.51	9.85			16,505.96	
May-06		23.02	296.26			16,232.72	
Jun-06	351.65	18.20			7,500.00	9,102.57	
Jul-06		15.18				9,117.75	
Aug-06		16.99				9,134.74	
Sep-06	1.65	43.09				9,179.48	
Oct-06		27.12	1.35			9,205.25	
Nov-06		20.69				9,225.94	

City of South Haven
SHARP Cast Receipts & Expenditures

	Donations	Interest Earnings	Expenses	Applied to Land Purchase	Administrative Assistant	Cash Balance	Loan Balance
Dec-06		33.55	2,500.00			6,759.49	
Jan-07		76.90	2,500.00			4,336.39	
Feb-07	1.65	32.17				4,370.21	
Mar-07		29.94	2,897.58			1,502.57	
Apr-07	101.71	20.95				1,625.23	
May-07	1,923.00	18.83	2,500.00			1,067.06	
Jun-07	1.71		2,594.28			(1,525.51)	
Jul-07	100.00		2,541.77			(3,967.28)	
Aug-07	1,050.00		2,509.65			(5,426.93)	
Sep-07			2,540.34			(7,967.27)	
Oct-07	1,001.71		2,552.20			(9,517.76)	
Nov-07	1,000.00		2,566.53			(11,084.29)	
Dec-07	106,434.00	96.05	5,115.31			90,330.45	
Jan-08	5,566.12	157.92				96,054.49	
Feb-08	2,600.00		4,459.77	95,896.57		(1,701.85)	313,669.94
Mar-08	4,515.00		2,770.16	42.99		(0.00)	313,626.95
Apr-08	1,380.47		2,500.95			(1,120.48)	313,626.95
May-08	5,500.00	1.66		4,381.18		0.00	309,245.77
Jun-08	1,239.27	33.38	36.47		1,076.13	160.05	309,245.77
Jul-08	11,700.00	35.93				11,895.98	309,245.77
Aug-08	100.00	2.20	42.91	9,000.00	1,285.67	1,669.60	300,245.77
Sep-08	5,500.00	48.75	43.68	5,000.00	905.65	1,269.02	295,245.77
Oct-08	650.00	2.77	74.91		976.68	870.20	295,245.77
Nov-08		0.49	36.93		216.65	617.11	295,245.77
Dec-08	10,000.00	38.28	2,318.72		198.89	8,137.78	295,245.77
Jan-09	90,686.47	9.26	32.24	90,000.00	799.10	8,002.17	205,245.77
Feb-09	350.00	6.21	68.30		699.66	7,590.42	205,245.77
Mar-09	1,000.00	6.70	28.14		720.97	7,848.01	205,245.77
Apr-09	11,090.00			10,000.00	703.21	8,234.80	195,245.77
May-09	2,285.00		28.12		443.95	10,047.73	195,245.77
Jun-09	57,601.89	11.08	1,637.29	60,245.77	287.68	5,489.96	135,000.00
Jul-09	62,300.00		29.92	65,000.00		2,760.04	70,000.00
Aug-09	71,998.00	0.43	772.50	70,000.00		3,985.97	0.00
Sep-09	7,036.66	2.45	507.50			10,517.58	
Oct-09	27,906.00	1.54	446.25			37,978.87	
Nov-09		9.92	473.15			37,515.64	
Dec-09	3,333.34	1.91	2,780.00			38,070.89	
Jan-10	5,060.00	3.86				43,134.75	
Feb-10	360.00	3.44	376.26			43,121.93	
Mar-10		6.81	136.32			42,992.42	
Apr-10	6,435.12	3.93	581.88			48,849.59	
May-10		2.62	365.00			48,487.21	
Jun-10		3.63	1,956.95			46,533.89	
Jul-10	1,000.00	2.33				47,536.22	
Aug-10	1,000.00	2.65	827.25			47,711.62	
Sep-10	105.00	3.17				47,819.79	
Oct-10		5.90				47,825.69	
Nov-10	100,500.00	5.03				148,330.72	
Dec-10	1,666.67	9.15	40,062.29			109,944.25	

City of South Haven
 SHARP Cast Receipts & Expenditures

	Donations	Interest Earnings	Expenses	Applied to Land Purchase	Administrative Assistant	Cash Balance	Loan Balance
Jan-11	40,500.00	9.71	8.50			150,445.46	
Feb-11		8.91	40,000.00			110,454.37	
Mar-11	40,100.00	5.08	15.87			150,543.58	
Apr-11	14,640.00	4.34				165,187.92	
May-11		4.94	14,640.00			150,552.86	
Jun-11	375.00	3.90				150,931.76	
Jul-11		0.95				150,932.71	
Aug-11		0.53	5,000.00			145,933.24	
Sep-11	100.00	1.20	4,019.03			142,015.41	
Sep-11	-375.00 *					141,640.41	
Oct-11			100,000.00			41,640.41	
Oct-11		5.00				41,645.41	
Oct-11			700.00			40,945.41	
Nov-11	100.00	2.29	500.00			40,547.70	
Dec-11		2.61	2,856.00			37,694.31	
Jan-12	1,666.67	0.68	1,837.83			37,523.83	
Feb-12		0.37	1,763.21			35,760.99	
Mar-12		1.25	1,408.14			34,354.10	
Apr-12			4,137.31			30,216.79	
May-12			3,359.15			26,857.64	
Jun-12		1.33	2,020.09			24,838.88	
Jul-12		0.13	1,400.00			23,439.01	
Aug-12			1,436.03			22,002.98	

* June contribution from Entergy made in error (they requested money be refunded)

Donations	Interest Earnings	Expenses	Applied to Land Purchase	Administrative Assistant	Cash Balance	Loan Balance
756,393.05	1,905.83	303,415.15	424,566.51	8,314.24	22,002.98	

Land Purchase Price 424,566.51

Loan Balance Remaining	0.00
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**SOUTH HAVEN AREA RECREATION AUTHORITY
AMENDED BUDGET
FOR THE CALENDAR YEAR JANUARY 1 TO DECEMBER 31, 2012**

REVENUES:

CITY OF SOUTH HAVEN	\$2 Per Capita	\$ 8,800
SOUTH HAVEN CHARTER TWP	\$1 Per Capita	\$ 3,983
SHARC Funds		\$ 15,000

TOTAL REVENUES	<u>\$ 27,783</u>
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EXPENSES:

ADMINISTRATIVE COSTS		\$ 5,000
INSURANCE		\$ 850
AUDIT		\$ 2,025
PROFESSIONAL FEES - CONSULTING	MCE	\$ 56,744
ANNUAL LEASE PAYMENT		\$ 1

TOTAL EXPENSES	<u>\$ 64,620</u>
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PLANNED USE OF RESERVES	\$ (36,837)
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September 12, 2012

To: SHARA Board

Cc: W. Hochstedler

From: Brian Dissette

Re: SHARC Donations

The South Haven Area Resources Council (SHARC) is a local group which periodically provides grants and loans to organizations that provide benefit to the overall South Haven community. SHARC, led by Mr. Ron Hartgerink, recently met and reviewed a variety of materials. From that meeting, SHARC agreed to provide two grants to the SHARA. The first grant is for \$10,000 to provide SHARA with financial assistance on the SHARP planning project. The second grant is for \$5,000 to provide SHARA with financial assistance on the Pilgrim Haven project. The second grant is specifically to provide financial assistance with the legal and planning costs related to the project.

The SHARC funds will be given to the City of South Haven, for deposit with SHARA. I anticipate the deposit will be made in the near future.

Thank you for your time and attention. Please let me know if there are any questions and/or concerns.



Vredeveld Haefner LLC

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Grand Rapids, MI 49534
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September 10, 2012

Board of Directors
South Haven Area Recreation Authority
539 Phoenix
South Haven, Michigan 49090-1499

We are pleased to confirm our understanding of the services we are to provide South Haven Area Recreation Authority for the year ended December 31, 2012. We will audit the financial statements of the governmental activities and each major fund, which collectively comprise the basic financial statements of South Haven Area Recreation Authority, South Haven, Michigan, as of and for the year ended December 31, 2012. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement South Haven Area Recreation Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to South Haven Area Recreation Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Major fund budget to actual comparisons.

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our assistance with the preparation of your financial statements and related notes and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities and each major fund of South Haven Area Recreation Authority and the respective changes in financial position in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental

regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of South Haven Area Recreation Authority's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Vredeveld Haefner LLC and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State of Michigan or its

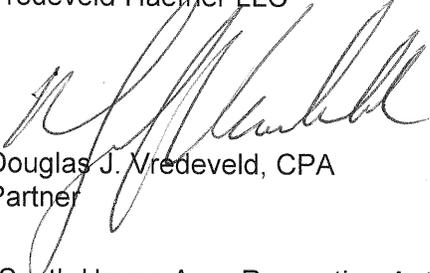
designee, a federal agency providing direct or indirect funding. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Vredeveld Haefner LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Sate of Michigan.

We expect to begin our audit on approximately February 27, 2013 and to issue our reports no later than March 31, 2013. Doug Vredeveld is the engagement partner and is responsible for supervising the engagement and signing the report. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$2,025 for the audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to South Haven Area Recreation Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,
Vredeveld Haefner LLC



Douglas J. Vredeveld, CPA
Partner

RESPONSE:

This letter correctly sets forth the understanding of South Haven Area Recreation Authority.

By:

Title:

Date:

Non-Binding Memorandum of Intent

Non-Binding Memorandum of Intent made this ____ as follows:

1. **Parties:** The parties are: Southwest Michigan Land Conservancy, (herein SWMLC), a Michigan non-profit corporation, of 6851 South Sprinkle Road, Portage, Michigan 49002 and the South Haven Area Recreation Authority, (herein SHARA), a Michigan public body corporate, of 09761 Blue Star Highway, South Haven, Michigan 49090.

2. **Background:** SWMLC is an accredited land trust with the Land Trust Accreditation Commission dedicated to the preservation of lands in Southwest Michigan. SWMLC is owner of about 27 acres of land in South Haven Township, Van Buren County Michigan, with about 780 feet of frontage on Lake Michigan which property is known as the Pilgrim Haven Natural Area (herein the Property). SWMLC is obligated and dedicated to preserve the conservation values of the Property. SWMLC does not design, develop, operate, finance or fund parks. SHARA is a qualified governmental unit interested in the creation of a nature park upon the Property.

3. **Proposed Project:** The parties desire to explore the feasibility and creation of a nature park on the Property that will be consistent with the preservation of the beauty and natural features of the Property. Such proposed nature park is referred to herein as the "Project." It is expressly understood that the planning, development, operation and maintenance of any nature park must be in keeping with SWMLC's obligations to preserve the conservation values of the Property.

4. **Declaration of Intent:** Consistent with the terms of this Memorandum each party declares it intent and pledges its reasonable cooperation and best effort to explore feasibility of the Project. Representatives of the parties intend to meet together at reasonable times and places to pursue their intention. It is contemplated exploration of the Project will include at least four phases: a) design or planning, b) funding or financing, c) development or construction and d) operation and maintenance. Exploration must also include methods, means and procedures assuring SWMLC that SWMLC's obligations regarding preservation of the Property's conservation values remain uncompromised.

5. **Duration of Period of Exploration:** It is contemplated that to adequately explore the feasibility of the Project may take up to _____ months. However, at any time either party may give a courtesy notice to the other party, with or without reason, that it is discontinuing exploration of the Project.

6. **Designation of Representatives:** Until further notice the primary, designated representatives for the parties are: a) for SWMLC, Peter Ter Louw, Executive Director, 6851 South Sprinkle Road, Portage, Michigan 49002, Phone 269-324-1600, email address: terlouw@swmlc.org ; b) for SHARA, _____, _____, 09761 Blue Star Highway, South Haven, Michigan 49090.

Phone: _____, email address: _____.

7. **Independent Contractors:** The parties are and at all times shall remain independent contractors. Nothing herein and no action or inaction contemplated or taken hereunder shall create or constitute any employment, agency, partnership, association or relationship between the

parties other than that of independent contractors. Neither party is authorized to take, commit or obligate or create any obligation on behalf of the other in any manner or thing whatsoever.

8. **Costs and Expenses:** Each party shall be responsible for and bear its own costs, fees and expenses incurred by it regarding any activities undertaken by it regarding the Project.

9. **Publicity:** While neither party is able to control any public statements made by the other party regarding the Project or activities hereunder it is considered a matter of courtesy and good judgment for the parties to coordinate any statements to the public so as to avoid any inaccurate or unwarranted expectations on behalf of any members of the public or persons owning or leasing property in the vicinity of the Project.

10. **Non-Binding:** This is a non-binding declaration of intention. Neither party shall be committed, bound or obligated, legally, morally or otherwise, in any manner, form or thing, unless and until, at some later time one or more definitive, mutually acceptable, written agreements and/or documents has been prepared, approved and signed by both parties.

Place for signatures: