

**MINUTES – REGULAR BOARD MEETING  
July 28, 2009**

**Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority**

**SPARK Central Incubator  
330 E. Liberty Street, Ann Arbor, MI 48104**

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**Members Present:** Michael Korybalski, Stephen Rapundalo, Theresa Carroll, Mark Maynard, Darryl Daniels, Richard Beedon, Skip Simms-Accelerator Ex-officio, Tom Crawford-Ex-officio, Roselyn Zator-MEDC Ex-officio

**Members Excused:** Richard King, Rob Risser, Lisa Kurek

**Others Present:** Mike Finney-SPARK, Greg Fronizer-SPARK, Elizabeth Parkinson-SPARK, Kurt Riegger-SPARK, Ken Bogan-City of Ann Arbor-Finance

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**CALL TO ORDER:**

Korybalski called the meeting to order at 8:15am. A quorum was present.

**APPROVAL OF THE AGENDA:**

Rapundalo moved, seconded by Daniels, to approve the Agenda for this meeting in the form presented at this meeting. Motion approved unanimously.

**MOTIONS & RESOLUTIONS:**

**1. Minutes of the June 16, 2009, Regular Board Meeting:**

Rapundalo moved, seconded by Daniels, to approve the Minutes of the June 16, 2009 regular board meeting in the form presented at this meeting. Motion approved unanimously.

**LDFA CHAIR'S REPORT:**

Korybalski recognized Rob Risser and Richard King for their years of service on the LDFA Board.

**REPORTS FROM SERVICE PROVIDERS:**

**1. Ann Arbor SPARK Business Accelerator Status Report - 4th Quarter:**

Risser moved, seconded by Maynard, to accept The Ann Arbor SPARK Business Accelerator Report for the FY 2009 4th quarter ended June 30, 2009, in the form presented at this meeting and attached hereto and made a part thereof. After discussion and consideration of the report, motion approved unanimously.

## **LDFA TREASURER'S REPORT:**

### **1. LDFA Financial Report – FY 2009 4th Quarter Ended June 30, 2009:**

Rapundalo moved, seconded by Beedon, to approve the LDFA financial report for the FY 2009 4<sup>th</sup> quarter ended June 30, 2009 in the form presented at this meeting and attached hereto and made a part hereof. After discussion and consideration of the report, motion approved unanimously.

## **ELECTION OF OFFICERS:**

### **Chair:**

Korybalski moved, seconded by Beedon, to nominate Steven Rapundalo as Chair to serve a one year term. Motion approved unanimously.

### **Vice Chair:**

Rapundalo moved, seconded by Daniels, to nominate Richard Beedon as Vice Chair to serve a one year term. Motion approved unanimously.

### **Treasurer:**

Maynard moved, seconded by Beedon, to nominate Darryl Daniels as Treasurer to serve a one year term. Motion approved unanimously.

## **APPROVAL OF THE FY 2010 BOARD MEETING SCHEDULE:**

Daniels moved, seconded by Maynard, to approve the FY 2010 Board meeting schedule in the form presented at this meeting, and attached hereto and made a part hereof. Motion approved unanimously.

## **OTHER BUSINESS:**

### **1. Update of FY 2010 LDFA Contract Committee:**

#### **a. FY 2010 Agreement Between the LDFA and Ann Arbor SPARK:**

Daniels recognized the Contract Committee members: Theresa Carroll, Rob Risser and Skip Simms for their efforts in completing the agreement. The agreement is attached hereto and made a part hereof.

#### **b. Marketing Plan:**

Carroll moved, seconded by Daniels, to approve the marketing plan in the form presented at this meeting, as amended per discussion, and attached hereto and made a part hereof. Motion approved unanimously.

#### **c. Cantillon:**

The Board unanimously agreed the Contract Committee should complete an executive summary and recommendation for the LDFA Board to consider at the next meeting.

#### **d. Micro-loans:**

The Contract Committee reported the plan had been reviewed and this would be sent out for the LDFA Board to consider at the next meeting. The Board unanimously agreed.

### **2. Committee Appointments:**

The Board unanimously agreed to postpone until the next meeting.

**MOTION TO ADJOURN:**

Daniels moved, seconded by Rapundalo, to adjourn the meeting at 9:34 am. Motion approved unanimously.

Respectfully Submitted,

Ken Bogan, Recording Secretary for Tom Crawford

Ann Arbor-Ypsilanti SmartZone  
Local Development Finance Authority

Ann Arbor SPARK

Quarterly Report

April 1, 2009 through June 30, 2009

**Work Accomplished**

**Number and identity of companies in each phase, plus relevant aspects of commercialization**

87 companies in Ann Arbor were served this quarter. Counting companies outside the area a total of 133 companies were served with Phase I, II and III services.

**The following companies only received Phase I reviews**

Account Name	City	Opportunity Description	Account Description
Phios Analytical Laboratories	Ann Arbor	Review plans for moving forward	Use of Fourier Transform Mass Spectrometry (FTMS) in support of biomarker discovery.
Interlab, Inc. (Magic Coast)	Ypsilanti	Prospects for funding	End to end video streaming to media and businesses
Acme Glassworks	Ann Arbor	Business plan development	Borosilicate colored glass rods and frit for glassblowers
Ann Arbor EDM	Ann Arbor	Business planning	Electronics technology for machines used in diesel engine manufacturing
Ann Arbor Swim School	Ann Arbor	Business planning	Swim school
Art Conservation Services	Ann Arbor	Museum quality conservation laboratory	Provide museum quality conservation assessments, treatments and care for collections
Backyard Brains	Ann Arbor		Entry-level neurophysiology (brain signal recording) kits for students to learn about the brain
Bibby Planning Services	Ann Arbor	Business planning and funding	Planning and design services for developers to partner with planners on projects

Energy Works Michigan	Ann Arbor	Business planning	Non-profit helping build foundational capacities in renewable energy
I Miss You, Inc.	Ann Arbor	T-shirt Business	Make t-shirts with good feeling messages and sense of community
In Vivo Solutions	Ann Arbor	Business and financial planning, including feasibility and marketing	Pharmaceutical CRO offering pre-clinical feasibility or product development services
ITS LLC	Ann Arbor	Business contacts and planning	Computer services to small businesses
Komgen	Ann Arbor	Partnering and funding assistance	HIV treatment using off patent small molecules
Magic Muffins Inc	Ann Arbor	Business planning	Wholesale muffins
Meeks Newco	Ann Arbor	General set up of business	Provides debt relief assistance to consumers
Menlo Park Associates, LLC	Ann Arbor	Business planning, technical assistance	Software consulting firm
Michigan Athletic Imaging	Ann Arbor	Referred to SBTDC	High quality video and photo services
Mobtile LLC	Ann Arbor	Business planning and fund raising	Mobile downloads enabling advertising
Pharma NewCo	Ann Arbor	Competitive analyses and business plan development	Pharmaceutical chemical company providing compounds and consulting to pharma R&D
Sedona Management Inc.	Ann Arbor	Business model guidance; interest in locating in SPARK Central	Movera Method mind and body training approach; d/b/a Movera Method
Shepherd Intelligent Systems	Ann Arbor	RPM Ventures launch assistance	Software for tracking vehicles using mobile phone GIS
SpiderClimbing	Ann Arbor	Business Planning	Climbing wall and system for fitness and entertainment
TEAMworks	Ann Arbor	Revenue and Sales assistance requested	Create logos/mascots, graphics and websites for high school sports teams
TECAT Engineering, Inc	Ann Arbor	Market validation and planning for investment	Engine simulation and optimization
uRefer	Ann Arbor	Prepare for funding	Application that streamlines process of creating, managing and promoting

			referral programs
Wildfire Innovation LLC	Ann Arbor	Business planning, IP	Indoor positioning with user profiles in a social or professional venue to provide user with real-time insight about the people around them.
hd vida	AnnArbor	Go to market strategy	Providing cost effective gaming systems to developing countries targeting Central America
Handy Hands Cleaning Services	Belleville	Business planning, product development	Consumer test strip for STD detection
Securely Yours LLC	Bloomfield Hills	Business planning assistance	Identity and Access Management services using SaaS model
Laskowski Newco	Canton	Business planning	HR related, but not disclosed
Wedlink	Canton	Review options for locating in Ann Arbor	HD quality video content and pictures between videographers, photographers, wedding couples, and guests.
New Eagle	Chelsea	Polish business plan for funding	Embedded controls engineering Company is going to spinout from parent company in Fall 2009.
The Gourmet Valet	Chelsea	Help with patent	Cabinet mounted recipe holder
Clinical Consultants, llc	Columbia	Willing to move to AA if find firm to finish prototype	Medical device for anesthesiologists to help protect against dental damage.
House of Serenity	Detroit	Startup planning and networking	Center for career guidance and development targeting young women in Detroit
BKMEDIC, llc	Durand	Business planning	Interactive system allowing the general public to access 911 system and become extension of your EMS
iFind Systems INC	Erlanger	Product launch	Satellite tracking of livestock
MarketPulse	Farmington	Market strategy	Online Networking Business specifically focused on consumer market research gathering.
PolySolz LLC	Farmington Hills	Launch of IT development services	IT development services business, using offshore resources, in J2EE, .NET, mobile

Precise Loan Origination	Farmington Hills	Business planning	Pocket size checks with barcodes
Rohrer Renovations	Grass Lake	Funding sources	Small windmill for farm or home use
Edge Talk	Grosse Pointe Farms	Spin out new company in AA	Speech recognition
Algal Scientific Corporation	Howell	Business planning assistance for fundraising	Developing system to convert proprietary algal strain into fuel
QE2 Productions, LLC	Howell	Referred to SBTDC	Website for kids 6 to 9 that inspires and encourages creative writing and helps build vocabularies.
Party Central Entertainment	Ishpeming	Business assistance	Website to assist with party needs
Kelly Imports	Jackson	Advancing product development	Lowering trailer axle eliminates need for ramps
Innosynth Technologies	Livonia	Business plan assistance	Social networking software as a service for internal communities such as companies and organizations
Pleiades Inc.	Milan	Business planning and networking	International mutual fund for early stage investments
Vogel Newco	Milwaukee	Commercialization assistance	Invention for preserving crunch of cereal in single serving container
ACP Consulting LLC	Novi	Licensing partner	Mechanical energy collection device that captures wasted or unused kinetic energy
Brusher NewCo	Novi	Patent search and further concept development	Relational databases for students to help synthesize information according to objectives
MM Enterprises	Plymouth	Product development and business launch	RFID solution for reminding people when they leave things behind
Bertolina Newco	Portage	Business planning assistance	Medical management software for surgeons
Stokes Automation Systems, LLC	Rochester	Seeking battery and manufacturing partners	Robotic loading and unloading of your EV battery at service stations

Technology Leveraging Cooperative	Rochester Hills	Assistance with business planning	Assisting small business with cooperative purchasing power and technology expertise
Swagga Beverage Group LLC	Roseville	Investment assistance	Beverage distributor
SlipStream LLC	Saline	Business planning; IP	Inventor of biodegradable shopping and garbage bags
Two Ten LLC	Saline	Technology validation assistance	Improvement in bar code reading technology
Diabetic Center Of Michigan	St.Clair	Funding for clinic in St Claire.	Clinics serving diabetic patients
Myel	Steelton	Assistance with invention planning for idea using capacitors	Alternative energy using capacitors; possible U-M connection
RZM	Superior Twp	Business planning and fundraising	Novel technique for teaching math, from kindergarten through adult; intends to develop textbooks
Ann Rubber	Tecumseh	Business planning assistance with retail concept	High fashion latex clothing
E Z C Enterprises, LLC	Troy	finance, and overall management of the "details	Optical disk cases with improved readability
Energy-Guru.com	Vienna	Growth strategy	Web marketplace for energy related goods and services
Mobile2MobileUSA	West Bloomfield	Funding assistance	Secure mobile payment processing
ACES International, Inc.	Whitmore Lake	Business planning and market strategy	Advanced solar energy systems
Michigan Armory	Whitmore Lake	Business planning	Mfr ammunition for homeland security
CampusKorner	Ypsilanti	Marketing expertise	On-line blog for secondary education w/secure retail element
Deagun Corporation	Ypsilanti	Launch planning; potential investment	Web-based point of sale and inventory management system, SaaS model
Diversity Emploment & Education Network	Ypsilanti	social network for minority job candidates	Management of human capital of multicultural employee candidates



Global View Services LLC.	YPSILANTI	Sales leads	Claybase additive for wastewater
Kalahar Newco	Ypsilanti	On-line Market Research program	On-line Market Research Program
Phorbezy	Ypsilanti	Consulting assistance	Flying cars, trucks and vans and road able aircraft.
Smart Dining, Inc.	Ypsilanti	Marketing/Banner Plan	Promotes independent dining establishments
T & B Janitorial Service	Ypsilanti	Expansion	Janitorial services
Tennyson Newco	Ypsilanti	Referred to SBDC in Ypsi	Wants to open a roller rink
Wiljanen Systems, LLC, DBA Augur Mapping	Ypsilanti	Resource connections and referrals	Mashup of Google Maps for franchise territories
Carrier Mobile, LLC	Ann Arbor	Business planning/market assessment	Software for smart phones for truckers
DatMap Corp	Ann Arbor	Market Assessment, Business plan and Legal assistance.	Predictive algorithm for mobile data mapping of explosive
Nanosystems, Inc.	Ann Arbor	Market assessment and business planning	Chemical solutions for bio polymer products
Phonagle LLC	Ann Arbor	Market Research and Mentorship	Mobile application gaming system with focus on physical interaction

The following companies were in Phase II Due Diligence this quarter but have not reached Phase III

Account Name	Opportunity Description	Account Description	Current FTE Jobs	Retained FTE Jobs
Blaze Medical Devices	Subsidize test at UM Medical blood bank	Spectral analysis for red blood cells	2	1
Ariscore (Huckstein Newco)	Evaluate technology hurdles	Recharging system for electric vehicle	1	1
BuycentivesTM	Business planning and development	Online management system for automotive incentives	1	1
Chrome Monastery	Preparation for investment	Multiplayer online game	1	1
CIMple	Business startup referrals, planning	Smart grid technology targeting utility control systems for residential application	2	2
Dibble Group	Launch plan	Electronic mental health patient record & practice management software	1	1
Endocutter	Technology Validation	Disposable endoscope attachment for removing blood clots from stomachs	1	1
Ideamine, LLC	Business plan help	"External Memory" for personal information. Organization and prioritization of emails, links, messages, etc for personal customization	1	1
Ingenex Digital Marketing	dba Social Harbor.com	Digital marketing, Website development, search engine optimization, PR, advertising	2	2
Love Book, LLC	Business Plan, patent potential	Online user-customized gift book	1	1
Mystock Enterprises LLC	Legal and marketing assistance	Online community of artists selling stock to fans	3	3

Mysano.com	Business model and go to market planning	Online healthcare portal for consumers	2	2
Numezreur	Business planning & IP	Software tool to measure business risk for small & medium size businesses	4	4
Onto-Med / Ontonix	Business direction assistance	Firmware application for analyzing multiple patient parameters in the ICU	1	1
PM Engineering LLC	Technology validation and patenting	Novel diesel engine system to reduce emissions	1	1
Popa Enterprises, Inc.	Market assessment and business planning	Card system for coupons and receipts	1	1
Prescription Writer LLC	Business planning and marketing assistance	Hand held prescription creation device and software for medical profession.	1	1
RB Systems, Inc	Business planning and marketing	Meeting listings searchable by geography and topic	1	1
Saagara	Business and technology planning	Business and technology planning	2	2
Rate My Student Rental	Web 2.0 source for student housing	Online rating website for campus housing	1	1

The following companies received Phase III level support

Account Name	Opportunity Description	Account Description	BA Amt Asked	BA Contract	BA Expenditure To-Date	Current FTE Jobs	Retained FTE Jobs
Accio Energy, Inc.	Expert consultant technology review for grant application	Alternative energy wind generation for small applications	\$34,000	\$ 34,000	\$ 24,000	3	3
Akervall Technologies	Market assessment and entry strategy recommendations	Commercializing dental appliance - mouthguard	\$ 4,000	\$ 4,750	\$ 4,750	1	1
Audiallo	Business planning and market strategy	New hearing aid technology		\$ 5,000	\$ 3,100	2	2
AviCenna Medical Systems, Inc.	Business planning assistance	Healthcare IT, AviDocs, to integrate patient data for billing and quality management	\$ 4,000	\$ 4,000	\$ 2,600	1	1
Better Rehab, LLC	Branding, web architecture and IP assistance	Web based information source for people needing better information about hip replacement therapy and other joint therapy.		\$ 10,000	\$ 1,925	2	2
Daixo	Development of financial assumptions and reports	EMR Software for dermatologist clinics	\$ 2,500	\$ 3,600	\$ 3,600	1	1
eChamberConnect, LLC.	Relocate to Ann Arbor, review business plan, funding sources	Web based applications for Chambers of Commerce		\$ 9,500	\$ 5,175	3	3
ePack, Inc.	MEMS packaging	Vacuum and hermetic packaging of MEMS using solder.		\$ 10,000		1	1

FreeStride, LLC	Pre-clinical planning and funding	Development of therapies for treatment of bone-related conditions		\$ 9,600	\$ 7,200	1	1
Hygieia, Inc.	Business plan review for funding	Glucose monitor that recommends dosage adjustments for improved glycemic control	\$ 9,000	\$ 23,400	\$ 14,900	1	1
Jenco Industries Inc.	Support for legal fees to file patent apps; primary market research	Invent and commercialize electronic traffic safety products		\$ 5,000	\$ 1,950	1	1
Kiyo Networks	Business Idea Forms	Network management company providing turnkey wireless data and DSL services focused on retail point of sale and corporate branch offices	\$ 4,000	\$ 4,000	\$ 2,100	1	
Magical Pork	Many Fliers - business model and planning	Website that coordinates travel planning for groups of individuals traveling from many origins to a single destination		\$ 7,000	\$ 3,600	1	1
Market Monitor HQ	Financial and technical planning	Tool for automating SEO monitoring activities		\$ 7,000	\$ 1,500	2	2
MedArray, Inc.	Evaluate market for improved gassing systems used w/ traditional culture systems and companion product opportunities.	Silicone hollow fiber membrane to enable highly efficient blood oxygenators	\$10,000	\$ 10,000	\$ 5,600	5	2
Mobatech, Inc.	Education, Financial, Business	Mobile Phone Software		\$ 12,000	\$ 7,410	1	

	Plan						
Nudge Them Inc.	Go-to-market plan and coaching			\$ 5,600	\$ 4,600	1	1
Nymirum	IP and FTO legal work, and corporate identity services	Drug discovery platform that reveals the structure of RNA (ribonucleic acid) and identifies the small molecules that will bind to these structures.	\$16,000	\$ 7,500	\$ 6,000	1	1
Ray Taylor & Assoc	Internal accounting functions	Advisory and technical services to public schools		\$2,500		5	5
Sentry Medical Technologies	Product development and market research	Medical technologies to address undesired behaviors	\$14,000	\$ 19,250	\$ 10,000	1	1
Speedraft	Funding strategy, introductions	Online CAD system for matching tool makers with clients, SaaS model. Toolpax is the product.		\$ 4,000	\$ 4,000	7	
Tangent Medical Technologies, LLC	Catheter System - Starting Business	New catheter to reduce complications of peripheral IVs		\$ 9,950	\$ 5,000	4	5
TMJ Pain Solutions	Go to market for medical device	An oral device for treating craniofacial pain	\$10,000	\$ 8,900	\$ 10,825	2	2
WattIQ	EPA Grant Assistance	Signal processing technology to monitor whole house electricity consumption in real time.	\$ 5,750	\$ 5,750	\$ 5,000	2	2
Adaptive Campus, LLC	Fundraising assistance	Web-based marketing services for education organizations and		\$ 9,000	\$ 1,825	2	2

		related non-profit and government entities					
Current Motor Company	Business planning and prep for capital raising, incl PSF	Electric scooter		\$ 9,800	\$ 2,475	2	2
PM Engineering, LLC	Technology validation and patenting	Novel diesel engine system to reduce emissions and improve efficiency	\$ 9,950	\$ 9,950	\$ 1,442	1	1
RiserCam, LLC	Fundraising, inventory management	Design and production of a camera for mounting on a bow & arrow.		\$ 9,800		2	2
POWERLeap LLC	Moving to AA. Need technology support contacts.	Pressure sensitive surface that generates power		\$ 6,000	\$ 4,000	2	2
Dralla Development Int. (Allinova)	Business planning and go to market strategy	Online B2B diagnostic of an organization	\$8,800	\$8,800	\$1,730	1	1

## **Founding location, current location**

Of the Phase III companies four were originally from outside the city of Ann Arbor.

## **Work to be Accomplished**

This is the final report for the year, therefore all work to be performed this year is finished.

## **Problems**

None

## **Significant Deviation from Scope of Work**

Phase 2 and Phase 3 hours and expenses were up significantly this quarter, however costs for the year were still under budget. The increase was due in part to the fact we broadened the services we offer clients. Of greater impact was the mere volume of expressed help from entrepreneurs. We estimated in our last report the number of companies receiving services would increase by 50% to 21, based on our pipeline increase for due diligence. The actual increase was nearly 100% with 30 companies currently in various stages of service per their contract deliverables. Due diligence hours increased as predicted. Fourth quarter actual costs were near the original projections for the quarter. Total year, however, ended significantly under budget.

Business incubator expenses dropped significantly in May and further in June because tenancy has increased to near capacity, thus reducing the monthly subsidy. The quarterly total expenses were well below budget.

Sponsored events were non-existent this quarter. The Growth Capital Symposium sponsorship was billed during the previous quarter. No other events we wanted to sponsor were within the city. Therefore the yearly event sponsorship actual spend was only 20% of budget.

## **Business Services**

The 15<sup>th</sup> Entrepreneur Boot Camp took place April 23 and 24. Twelve companies participated in the program. Ten of the companies were from Ann Arbor. You will notice one of the companies is in due diligence Phase II and another is already receiving Phase III services.

**An Unnamed team** is commercializing UM technology for welding inspection utilizing the analysis of the plasma generated during laser or arc welding

**Baker Calling** is commercializing UM technology for an improved and lower cost microphone based upon MEMS technology.

**Endocutter** is a disposable endoscope attachment for removing blood clots from stomachs so physicians can quickly find the cause of gastric bleeding

**Fourth Logic** is an internet service that utilizes social networking to connect anyone wanting to learn to anyone willing to teach.

**Husk** is commercializing UM technology to convert rice husk ash (RHA) into vacuum insulated panels (VIP), a type of high-grade insulation

**Incentives by Demand** is a web service to allow in-market automobile shoppers to "advertise" their interest in purchasing specific vehicles directly to competing manufacturers, allowing each to deliver a customized, data-driven and time-sensitive sales incentive directly to the shopper



**Magnetic Ventures** is commercializing technology for a Magnetically-Assisted Artificial Joint. The device uses magnets in a special configuration in order to lower wear, improve device longevity, and reduce the probability of revision surgery.

**MComm** is commercializing UM technology for a hospital communication system that is designed to replace pagers. The system provides workflow management tools for unique patient lists, prioritization of tasks and an auditable trail to maintain HIPAA requirements

**Nanomag** is an established company introducing a new manufacturing process that produces lightweight, ultra high strength magnesium alloy based on a patented nano-crystalline structure that increases strength 50% while also boosting toughness.

**StrideBike** is an exercise machine that translates linear to rotary motion allowing the rider to pedal in a similar way to elliptical exercise while riding a bicycle.

**Tangent Medical** is developing a stabilizing peripheral IV system that minimizes movement at the site of insertion to lower complications and restart rates. Fewer IV restarts lowers staff exposure to needlesticks and pathogens; enhances patient comfort and wellness; and saves money.

**Vision Interface Technologies** has developed patented gesture and vision control technology in a small form factor (smartphone) to enable a universal application controller.

## Hosted Events

780 entrepreneurs attended one or more of the 30 events hosted in Ann Arbor by Ann Arbor SPARK this quarter. SPARK hosted several other events at SPARK East.

Event Name	Date	Place of Event	Approx # of attendees		Purpose of Event
			Entrepreneurs	Service Providers	
Entrepreneur 1.0 Launch: The Elevator Pitch	April 1, 2009	SPARK Central	64	4	Program will discuss the critical question of how do you describe your opportunity to a stranger who you meet when you share a brief elevator ride. How do you achieve the goal of getting the Tell me more response? How do I answer all the questions in 1 minute?
Mingle & Match - April 2009	April 7, 2009	SPARK Central	88	1	High energy event where start-ups have 1 minute to tell about their business and what kind of help they are seeking, followed by a networking session.
Marketing Roundtable: Target Segmentation	April 14, 2009	SPARK Central	36	9	David Martel, Jeff Ewald, Jamie Guise, Sean Hickey, Todd Smithee - As marketing budgets tighten, targeting the most meaningful prospects becomes increasingly important. This panel discussion will focus on how to collect meaningful information or take information you may already have and give it meaning.
Open Coffee - April 2009	April 14, 2009	SPARK Central	28	2	Networking event for entrepreneurs, investors and those who work with technology & innovation business, particularly in IT, cleantech and life sciences. Heavy on networking, full of interesting opinions and stories.
BA Consultant Meeting - April 2009	April 17, 2009	SPARK Central	21	2	Monthly Business Accelerator meeting to update consultants on SPARK and review projects.
Hot Shots	April 22, 2009	Melange	49	7	Bring your resume, and come and mingle with growing, innovative companies in a fun and relaxed environment! This event is only for talent seeking opportunities for themselves.
Michigan Pre-Seed Fund Informational Brown Bag	May 5, 2009	SPARK Central	29	8	Michigan Pre-Seed Capital Fund has new investing opportunities for early stage companies. Come hear Skip Simms outline the changes in eligibility requirements.
Boot Camp Celebration	May 7, 2009	SPARK Central	38	3	Celebration and Networking event for all participants of the April 2009 Entrepreneur Boot Camp.

Open Coffee - May 2009	May 12, 2009	SPARK Central	33	1	Networking event for entrepreneurs, investors and those who work with technology & innovation business, particularly in IT, cleantech and life sciences. Heavy on networking, full of interesting opinions and stories.
Marketing Roundtable: How to Bring Your Marketing Message to Attention	May 12, 2009	SPARK Central	30	6	Chris Kochmanski, Chris Bidlack, Rhonda Huie, Jim Hume, and John Lichtenberg - It's good when your marketing communications describes your products or services completely and accurately. It's much better when your story actually inspires, motivates, and moves your customers.
BioArbor: The Good, The Bad & The Ugly	May 13, 2009	SPARK Central	57	5	Randal Charlton-Join three respected serial entrepreneurs / CEO's for an open discussion about real life experiences in building companies. Panelists will share their top five tips to help your start-up succeed and their top five mistakes to avoid. Plenty of time to follow for Q&A and lively discussion.
BA Consultant Meeting - May 2009	May 15, 2009	SPARK Central	0	19	Monthly Business Accelerator meeting to update consultants on SPARK and review projects.
Entrepreneur Education 1.0: The Entrepreneur and Funding	May 27, 2009	SPARK Central	8	5	Defining yourself as an entrepreneur and understanding what lies before you will give you a realistic frame of reference for your new venture. This session will help you understand the difference between scientific invention and a commercial venture, your role as the start-up CEO and the framework to understand how investors see early stage investment in your company.
Hot Shots	May 27, 2009	Melange	35	5	Bring your resume, and come and mingle with growing, innovative companies in a fun and relaxed environment! This event is only for talent seeking opportunities for themselves.
Entrepreneur Education 2.0: Management Team	May 28, 2009	SPARK Central	16	4	The right people in the right roles plus the guiding principles they need to achieve extraordinary results: this is pivotal for any company's success. This session will address the management team, what it should look like at each stage of development and how to hire complementary team members.
Entrepreneur Education 1.0: Executive Summary	June 1, 2009	SPARK Central	5	4	Problem, product, market team, competitors, financials: By describing each element of your business, you will clarify your current position as well as your needs. The resulting executive summary will help you understand your needs and provide a basis for the recruitment of essential team members and resources.

Mingle and Match	June 2, 2009	SPARK Central	33	33	High energy event where start-ups have 1 minute to tell about their business and what kind of help they are seeking, followed by a networking session.
HR 2.0: Tools to help your organization grow and succeed (Part 1 of 3)	June 3, 2009	SPARK Central	4	2	Scott Trossen; Through lecture, discussion and strategic planning exercises, you will come away with specific tools to help your business in the areas of recruiting, team building, performance management, culture creation and retention of key employees, plus a staffing model, new skills and methods for recruiting, a people/skill succession plan, and a guide for workplace improvement.
Entrepreneur Education 2.0: Business Model and Key Metrics	June 4, 2009	SPARK Central	7	2	Kurt Riegger; The Business Model explains how your company will make money and the strategies for building up your core strengths. Evaluate your business against the elements of a successful business model. Learn how to define the metrics that will help you keep score in your business and measure progress. Identify the key factors that drive your business and profitability.
Entrepreneur Education 2.0: Market Strategy and Competitive	June 8, 2009	SPARK Central	4	5	Kurt Riegger; Your company is defined by its positioning and the marketing battles it chooses to fight. Identifying your corporate strengths, weaknesses, opportunities and threats will help you zero in on the battles you can win.
Ann Arbor Open Coffee - June 2009	June 9, 2009	SPARK Central	33	27	Networking event for entrepreneurs, investors and those who work with technology and innovation businesses, particularly in IT, cleantech and life sciences.
Marketing Roundtable - Insight & Campaign Measurement	June 9, 2009	SPARK Central	32	16	Speaker: Scott Hauman, Director, Brand Strategy, Daggerfin. With over 15 years of experience in both agency and client environments, Scott helps companies transform their brands to take advantage of what lies ahead through the seamless integration of strategy, design, media, marketing and research.
BioArbor: Promoting Your Product or Company	June 10, 2009	SPARK Central	62	7	Linda Girard; It's almost never too early to generate a "buzz" around your company or product. But sometimes it's hard to find the money for marketing and public relations. Come and hear how three experts have approached promoting their products and/or companies. All three have developed marketing and promotion plans that were based on tight budgets.
Entrepreneur Education 1.0: Product Innovation	June 15, 2009	SPARK Central	5	2	In this unit, you will focus on defining your customers, their needs and their personas in order to create insights into product strategies for various market segments.

HR 2.0: Tools to help your organization grow and succeed (Part 2 of 3)	June 17, 2009	SPARK Central	2	2	Unemployment may be high yet engaging top talent has never been more important. You will come away with key concepts and specific tools to help your business in the areas of recruiting, performance development, and retention of employees.
Entrepreneur Education 2.0: Entrepreneurial Finance	June 22, 2009	SPARK HQ	18	6	How will you find investors & other sources of capital? Start with a compelling and well-rehearsed business pitch. Then add a finance plan that explains where your business is going & the milestones that lie ahead. Learn how to determine the amounts & timing of your capital requirements as well as the sources of funding that are best for your company.
Hot Shots	June 23, 2009	Melange	11	34	Bring your resume, and come and mingle with growing, innovative companies in a fun and relaxed environment! This event is only for talent seeking opportunities for themselves.
HR 2.0: Tools to help your organization grow and succeed (Part 3 of 3)	June 24, 2009	SPARK HQ	6	4	Unemployment may be high yet engaging top talent has never been more important. You will come away with key concepts and specific tools to help your business in the areas of recruiting, performance development, and retention of employees.
Entrepreneur Education 2.0: Growing Sales	June 25, 2009	SPARK Central	16	15	Growing sales in an early stage technology company can be the greatest challenge. This unit will help you explore the sales barriers you face both externally and within yourself, and the systems and methods for accelerating sales.
Global Business Seminar	June 30, 2009	SPARK Central	10	9	Join us as we address key topics related to business success in a global environment: Successfully managing the business and social cultural transition, creating effective communication strategies with a global workforce, and finding and retaining international customers.
TOTAL # Entrepreneurs			780	249	Total:

### Sponsorships/Partnered Events

We again sponsored only one event for the quarter.

Event Name	Date	Place of Event	Approx # of attendees	
Michigan Growth Capital Symposium	May 12 & 13	Marriott/ Eagle Crest Resort Ypsilanti	400	Bronze Sponsor of the 28th Michigan Growth Capital Symposium - Featuring Distinguished VC Keynote Speakers Fred Craves of Bay City Capital and Jonathon Seelig of Globespan Capital Partners and Guest Speaker, Coach Lloyd Carr, University of Michigan. Presenting a Distinguished Line-up of 35 Guest Speakers, over 65 Investment Firms, and 32 Emerging Company Presentations
	TOTAL # Entrepreneurs		200	

## SPARK Central Incubator

Total number of Full Tenants (those in a cubicle with secure space and full privileges) totaled seven companies with seven paid seats in April and May and 8 total companies with 8 paid seats in June. Tenants are charged a license fee per seat, or person(s) using the space.

<b>Full Tenants 4/30/09</b>	<b># of Seats</b>	<b>Full Tenants 05/31/09</b>	<b># of Seats</b>	<b>Full Tenants 6/30/09</b>	<b># of Seats</b>
Hygieia	1	Hygieia	1	Hygieia	1
Openworld	1	Openworld	1	Openworld	1
GTI Risk Management	1	GTI Risk Management	1	GTI Risk Management	1
RKC Marketing	1	RKC Marketing	1	RKC Marketing	1
Gatti, Rich & Associates	1	Gatti, Rich & Associates	1	Gatti, Rich & Associates	1
Mobtile	1	Mobtile	1	Mobtile	1
CVR Global	1	CVR Global	1	CVR Global	1
				Mysano	1
	<b>7</b>		<b>7</b>		<b>8</b>

Virtual Tenants (those without secure space and secondary access to conference rooms) doubled in the past six months. Virtual Tenants pay by person.

<b>Virtual Tenants 4/01/09</b>	<b>Virtual Tenants 5/31/09</b>	<b>Virtual Tenants 6/30/09</b>
Akervall Technologies	Akervall Technologies	Akervall Technologies
		Allinnova
Daixo	Daixo	Daixo
eChamber Connect	eChamber Connect	eChamber Connect
Eipon Learning	Eipon Learning	Eipon Learning
Fourth Logic	Fourth Logic	Fourth Logic
	In the Groove	In the Groove
Incentives By Demand	Incentives By Demand	Incentives By Demand
Jelic Patent Services	Jelic Patent Services	Jelic Patent Services
Jenco Industries	Jenco Industries	Jenco Industries
Locomatix	Locomatix	Locomatix
	MediQLogix	MediQLogix
Mobatech	Mobatech	Mobatech
Monarch Antenna	Monarch Antenna	Monarch Antenna
		Onto-Med/Ontonix
PM Engineering	PM Engineering	PM Engineering
Popa Enterprises	Popa Enterprises	Popa Enterprises
Prescription Writer	Prescription Writer	Prescription Writer
RB Systems	RB Systems	RB Systems
Speedraft	Speedraft	Speedraft
		TruCost
UrTurn	UrTurn	UrTurn
Vision Solution	Vision Solution International	Vision Solution

International		International
		Wildfire Innovation LLC

The following report shows the activity of incubator interest the past quarter. There is a 100% conversion rate of those expressing interest in SPARK Central this quarter.

<b>Company</b>	<b>Description</b>	<b>Incubator Type</b>	<b>Start Date</b>	<b>End Date</b>	<b>Status</b>
CVR Global	Medical device to check the cotided artery for build up without invasive measures.	Tenant	April 09	Oct 09	Current Tenant
Mobtile	Mobtile is a platform play extendable to most of the 3.5B mobile phones worldwide.	Tenant	April 09	Oct 09	Current Tenant
MySano	Online healthcare portal for consumers	Tenant	May 09	Dec 09	Current Tenant
Akervall Technologies	Commercializing dental appliance - mouth guard	Virtual	May 09	Jun 10	Current Virtual Tenant
Allinnova	Assessment tool for determining a corporation's capability to be successful in strategic partnering	Virtual	Jun 09	Jun 10	Current Virtual Tenant
eChamber Connect	Web based applications for Chambers of Commerce	Virtual	May 09	May 10	Current Virtual Tenant
Fourth Logic	Online tutoring system that functions much like an "eBay" for learning.	Virtual	May 09	Oct 09	Current Virtual Tenant
In the Groove	Knee orthosis/brace for immediate relief of pain, increased mobility and rehabilitate by	Virtual	May 09	Jun 10	Current Virtual Tenant



	wearing during weight bearing activity				
MediQLogix	Software that will provide needed healthcare quality management business solutions for hospitals	Virtual	May 09	Dec 09	Current Virtual Tenant
Onto-Med/Ontonix	A firmware application for collecting/analyzing multiple patient parameters in an ICU in real time	Virtual	Jun 09	July10	Current Virtual Tenant
PM Engineering	Novel diesel engine system to reduce emissions and improve efficiency	Virtual	April 09	May11	Current Virtual Tenant
Popa Enterprises	Card system for coupons and receipts	Virtual	April 09	May10	Current Virtual Tenant
Prescription Writer	Hand held prescription creation device and software for medical profession.	Virtual	April 09	May10	Current Virtual Tenant
RB Systems	Website where you can Post a meeting or Find a meeting for FREE.	Virtual	May 09	Nov 09	Current Virtual Tenant
TruCost	Environmental research organization working to analyze impact companies have on the environment.	Virtual	Jun 09	Dec 09	Current Virtual Tenant
Wildfire Innovation LLC	User profiles in a networking venue providing user with real-time insight about people around them.	Virtual	Jun 09	Dec 09	Current Virtual Tenant

**Outreach**

**Cantillon Entrepreneurial Education**

A study was conducted this quarter to measure the usage and effectiveness of the online course, Cantillon. Cantillon uses the UM's MEONLINE learning management and registration system for hosting and displaying the course. As the usage reports needed were not available initially, a project plan was mapped out and executed to produce the table that follows. In addition, a summary of the feedback on Cantillon use as part of Entrepreneurs Boot Camp from the Campers and the mentors was collected.

Focusing on just SPARK entrepreneurs (excluding Ross School and GLEQ), over 500 unique users were registered for Cantillon e-course. Typically, entrepreneurs were registered for specific units to address planning questions they were focused on answering. Almost all entrepreneurs were registered for the Executive Summary unit. The statistics here show of 487 registrants, 304 entrepreneurs and mentors logged in to use the system. 62% of the registrants used the course. Of these active users, 41% were based in the Ann Arbor area. Similar high usage was found for the units on Innovation, Marketing Strategy and Entrepreneurial Finance. Starting in Nov 2008, these three units and Executive Summary unit have been offered as pre-camp preparation to all Boot Camp participants. The mentors use and refer to the Cantillon units in advising companies.

A satisfaction survey of the Entrepreneurs Boot Camp participants was conducted immediately after camp. One question focused on the value of the Cantillon Executive Summary unit and its impact. For the Camps in 2007 – April 2009, the Cantillon average score was 5.90 on a scale of 1 to 7 where 7 is Excellent and the impact of the Executive Summary averaged 5.71. From a survey of mentors who have engaged with Entrepreneurs to use the course at Camp, they had a similar high rating and opinion.

Cantillon Usage Data from the Period  
Oct 2006 to April 2009 for  
SPARK BA projects and Entrepreneurs Boot Camp

Cantillon Usage Summary Chart

Unit Number	Course Title	Total Registrations	Active Users	Ann Arbor Total	Active Ann Arbor Users	% Active AA
2	Executive Summary*	487	304	314	199	41%
3	Innovation*	257	69	156	36	14%
4	Marketing Strategy*	377	141	249	94	25%
5	Management Team	200	25	127	22	11%
6	Business Model	99	13	68	10	10%
7	Systematic Selling	122	9	68	6	5%
8	Finance*	337	141	224	102	30%
9	Leadership	127	22	80	16	13%
10	Entrepreneurial Life Cycle	117	10	72	7	6%
1	Entrepreneur & Funding	169	62	106	37	22%
ALL UNITS		2287	796	1464	529	

\*Boot Camp required by Nov 2008

## A2Angels

On January 27, 2009, the LDFA Board approved a \$12,500 five-month contract between the Ann Arbor Angels and Ann Arbor Spark to provide partial support for a part-time A2A Managing Director.

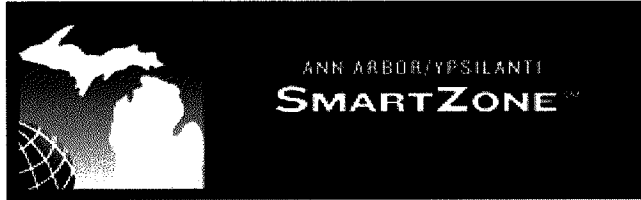
### Milestones

1. Filing of Article of Incorporation - **Completed**
2. Establishment of Commercial Operating Account – **Completed**
3. A2A Board Approval of Revised Plan - **Completed**
4. 100% Corporate Sponsor (\$12,500) Phase I funding match for Managing Director contract costs – **Completed**  
Bank of Ann Arbor has committed to match the Phase I support for a part-time Managing Director and support costs associated with office space and equipment, including board room availability.
5. Additional 50% Corporate Sponsor (\$6,250) match support for other operational costs – **Completed**  
Additional support in excess of a 50% match has been committed by Arbor Blue and Renaissance Financial Group.
6. 20 registered Angel Investor Members – **Completed**  
A2A currently has 43 registered Angelsoft members, including 27 investors, 4 staff, 9 corporate sponsors and 3 others.
7. Development of Angel, Corporate and Venture Capital Membership Agreements, (in draft form) incorporating annual membership fee schedules – **Completed**
8. Investor Presentation Meeting – **Completed**  
An investor presentation meeting was held on June 26, 2009. Three companies presented to the group for funding. 12 investor attendees, 4 presenter team attendees, 4 staff attendees, 6 other investors viewed the online invitation.
9. Additional 50% Corporate Sponsor verbal commitment match to support other operating costs. – **Completed**  
Additional support in excess of a 50% match has been committed by Arbor Blue, Renaissance Financial Group, University of Michigan Office of Technology Transfer, and the Michigan Venture Capital Association.

Our partnership with Ann Arbor Spark to assist in the initial stages of company application screening is achieving its desired goals. Second stage company application screening is being lead by Dave Hartmann. A2A continues to receive new company application requests on at least a weekly basis. Companies applying for funding are being charged a \$250 application fee. Application fees are collected online through AngelSoft and forwarded periodically to the Ann Arbor Angels. To date, in excess of \$2,000 in company application fees have been received.

### Other

Attached is a request to purchase a new computer and printer for the SPARK Central incubator.



# FINANCIAL SUMMARY

as of June 30, 2009

**Smart Zone LDFA**  
**DELIVERABLES**  
as of June 30, 2009

	<u>ACTUAL</u> <u>Q1</u>	<u>ACTUAL</u> <u>Q2</u>	<u>ACTUAL</u> <u>Q3</u>	<u>ACTUAL</u> <u>Q4</u>	<u>Full Year</u>
<b>Phase II (Due Diligence)</b> \$100/hr					
<u>Number of Clients</u>					
Actual/Forecast	23	17	12	38	90
Budget/Proposed	11	11	11	11	44
Actual Over/(Under) Target	12	6	1	27	46
<u>Hours per Client (Avg)</u>					
Actual/Forecast	2.9	2.5	6.3	5.4	4.2
Budget/Proposed	10.0	10.0	10.0	10.0	10.0
Actual Over/(Under) Target	(7.1)	(7.5)	(3.8)	(4.6)	(5.8)
<b>Memo: Total Phase II Hours</b>	<b>67</b>	<b>42</b>	<b>75</b>	<b>204</b>	<b>388</b>
<b>Phase III (Intensive Service)</b> \$100/hr					
<u>Number of New Clients</u>					
Actual/Forecast	13	13	14	22	62
Budget/Proposed	21	21	21	21	84
Actual Over/(Under) Target	(8)	(8)	(7)	1	(22)
<u>Hours per Client (Avg)</u>					
Actual/Forecast	30.2	47.6	29.3	31.8	34.7
Budget/Proposed	40.0	40.0	40.0	40.0	40.0
Actual Over/(Under) Target	(9.8)	7.6	(10.8)	(8.2)	(5.3)
<b>Memo: Total Phase III Hours</b>	<b>392</b>	<b>618</b>	<b>410</b>	<b>699</b>	<b>2,119</b>

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Smart Zone LDFA  
**FY 2009 FINANCIAL SUMMARY**  
as of June 30, 2009

**BUDGET**  
Forecast  
(Over)/Under  
Budget

**VARIANCE**  
Explanation

	<u>ACTUAL</u> <u>Q1</u>	<u>ACTUAL</u> <u>Q2</u>	<u>ACTUAL</u> <u>Q3</u>	<u>ACTUAL</u> <u>Q4</u>	<u>Full Year</u>	<u>Amount</u>	
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**INCOME STATEMENT**

**Revenues:**

Tax Revenue	\$ 580,396	\$ 247,817	\$ 273,195	\$ (41,443)	1,059,965	\$ 950,492	\$ 109,473
Miscellaneous	5,000	23,763	2,150	-	30,913	-	30,913
Investment Income	4,290	4,576	4,159	(6,263)	6,762	-	6,762
<b>Total Revenues</b>	<b>\$ 589,686</b>	<b>\$ 276,156</b>	<b>\$ 279,504</b>	<b>\$ (47,706)</b>	<b>\$ 1,097,640</b>	<b>\$ 950,492</b>	<b>\$ 147,148</b>

**Expenditures:**

**Contracted Services**

SPARK BA Direct Staffing	(39,252)	(39,252)	(39,252)	(39,244)	(157,000)	(157,000)	-
Phase II (Due Diligence)	(2,800)	(1,350)	(5,513)	(17,170)	(26,833)	(44,000)	17,167
Phase III (Intensive Service)	(39,040)	(61,825)	(34,837)	(81,887)	(217,589)	(281,500)	63,911
Bus. Network Events-Hosted	(2,312)	(3,679)	(4,597)	(6,914)	(17,502)	(19,200)	1,698
Bus. Network Events-Sponsorships	(831)	(1,250)	(2,500)	-	(4,581)	(24,000)	19,419
Entrepreneur Educ.-Bootcamp & Grants	(10,000)	-	(10,000)	(15,200)	(35,200)	(40,700)	5,500
Tuition Matching	-	(9,453)	(497)	(10,000)	(19,950)	(20,000)	51
Cantillon Web Based Education	(4,600)	(11,800)	(11,650)	(7,325)	(35,375)	(54,400)	19,025
A2 Angels	-	-	(6,250)	(6,250)	(12,500)	(12,500)	-
<b>Total Contracted Services</b>	<b>\$ (98,834)</b>	<b>\$ (128,609)</b>	<b>\$ (115,096)</b>	<b>\$ (183,990)</b>	<b>\$ (526,530)</b>	<b>\$ (653,300)</b>	<b>\$ 126,771</b>

**Other Projected Services**

Marketing - P/R, Print, Websites	(7,069)	(14,324)	(15,420)	(13,587)	(50,400)	(50,400)	0
Business Incubator	(26,487)	(43,443)	(48,398)	(35,240)	(153,568)	(160,420)	6,852
SPARK Accounting	(10,750)	(10,750)	(10,749)	(10,752)	(43,001)	(43,000)	(1)
Legal & Admin. Support	(17,293)	-	(4,165)	(10,786)	(32,243)	(27,500)	(4,743)
Other Contingency	-	-	-	-	-	-	-
<b>Total Other Projected Services</b>	<b>\$ (61,598)</b>	<b>\$ (68,517)</b>	<b>\$ (78,732)</b>	<b>\$ (70,365)</b>	<b>\$ (279,212)</b>	<b>\$ (281,320)</b>	<b>\$ 2,108</b>

<b>Total Expenditures</b>	<b>\$ (160,432)</b>	<b>\$ (197,126)</b>	<b>\$ (193,828)</b>	<b>\$ (254,355)</b>	<b>\$ (805,742)</b>	<b>\$ (934,620)</b>	<b>\$ 128,879</b>
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<b>Net Increase/Decrease</b>	<b>\$ 429,254</b>	<b>\$ 79,030</b>	<b>\$ 85,676</b>	<b>\$ (302,061)</b>	<b>\$ 291,898</b>	<b>\$ 15,872</b>	<b>\$ 276,027</b>
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**Memo:**

Fund Balance (6/30/2008)	\$ 178,240						
Fund Balance - Operations (Qtr End)	\$ 607,494	\$ 686,523	\$ 772,199	\$ 470,139			

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Category	Detail	Fiscal Year			Measureable		
		Incurred		Billed	Unit Descrip.	Number	\$ Amount
		Qtr	Year	Qtr			
Legal & Admin. Support	July 08	1	2009	1	Audit	1.00	\$ (12,360.00)
SPARK BA Direct Staffing	July 08	1	2009	1	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	July 08	1	2009	1	Hours	20.00	\$ (2,000.00)
Phase III (Intensive Service)	July 09	1	2009	1	Hours	140.55	\$ (14,055.00)
Business Incubator	July 08	1	2009	1	Facility Exp	1.00	\$ (8,679.52)
SPARK Accounting	July 08	1	2009	1	Accting Svc	1.00	\$ (3,583.33)
SPARK BA Direct Staffing	Aug. 08	1	2009	1	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	Aug. 08	1	2009	1	Hours	4.00	\$ (400.00)
Phase III (Intensive Service)	Aug. 08	1	2009	1	Hours	174.15	\$ (17,415.00)
Business Incubator	Aug. 08	1	2009	1	Facility Exp	1.00	\$ (10,466.98)
SPARK Accounting	Aug. 08	1	2009	1	Accting Svc	1.00	\$ (3,583.33)
Bus. Network Events-Sponsorship	Aug. 08	1	2009	1	Events	1.00	\$ (268.00)
Bus. Network Events-Hosted	Aug. 08	1	2009	1	Events	1.00	\$ (1,009.77)
Cantillon Web Based Education	Aug. 08	4-08-accr	2008	1	Dev Unit 10	1.00	\$ (12,000.00)
Cantillon Web Based Education	Aug. 08	4-08-accr	2008	1	Accr. 6/08	1.00	\$ 12,000.00
Legal & Admin. Support	Sept. 08	1	2009	1	Audit	1.00	\$ (4,932.50)
SPARK BA Direct Staffing	Sept. 08	1	2009	1	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	Sept. 08	1	2009	1	Hours	4.00	\$ (400.00)
Phase III (Intensive Service)	Sept. 08	1	2009	1	Hours	75.70	\$ (7,570.00)
Business Incubator	Sept. 08	1	2009	1	Facility Exp	1.00	\$ (7,340.25)
SPARK Accounting	Sept. 08	1	2009	1	Accting Svc	1.00	\$ (3,583.33)
Bus. Network Events-Sponsorship	Sept. 08	1	2009	1	Events	1.00	\$ (562.86)
Bus. Network Events-Hosted	Sept. 08	1	2009	1	Events	1.00	\$ (1,301.81)
Marketing - P/R, Print, Websites	Sept. 08	1	2009	1	Marketing	1.00	\$ (7,068.76)
Cantillon Web Based Education	Sept. 08	1	2009	1	Cantillon	1.00	\$ (4,600.00)
Entrepreneur Educ.-Bootcamp & C	Sept. 08	1	2009	1	Bootcamp	1.00	\$ (10,000.00)
SPARK BA Direct Staffing	Oct. 08	2	2009	2	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	Oct. 08	2	2009	2	Hours	2.00	\$ (200.00)
Phase III (Intensive Service)	Oct. 08	2	2009	2	Hours	136.00	\$ (13,600.00)
Business Incubator	Oct. 08	2	2009	2	Facility Exp	1.00	\$ (15,091.95)
SPARK Accounting	Oct. 08	2	2009	2	Accting Svc	1.00	\$ (3,583.33)
Bus. Network Events-Hosted	Oct. 08	2	2009	2	Events	1.00	\$ (1,733.95)
Marketing - P/R, Print, Websites	Oct. 08	2	2009	2	Marketing	1.00	\$ (4,212.57)
Tuition Matching	Oct. 08	2	2009	2	Bootcamp Match	1.00	\$ (9,452.50)
Cantillon Web Based Education	Oct. 08	4-08-accr	2008,09	2	Dev Unit 6	1.00	\$ (12,000.00)
Cantillon Web Based Education	Oct. 08	4-08-accr	2008	2	Accr. 6/08	1.00	\$ 4,800.00
Cantillon Web Based Education	Oct. 08	2	2009	2	Mentor List & Train	1.00	\$ (1,200.00)
SPARK BA Direct Staffing	Nov. 08	2	2009	2	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	Nov. 08	2	2009	2	Hours	11.50	\$ (1,150.00)
Phase III (Intensive Service)	Nov. 08	2	2009	2	Hours	201.50	\$ (20,150.00)
Business Incubator	Nov. 08	2	2009	2	Facility Exp	1.00	\$ (12,512.14)
SPARK Accounting	Nov. 08	2	2009	2	Accting Svc	1.00	\$ (3,583.33)

Category	Detail	Fiscal Year			Measureable		
		Incurred		Billed	Unit Descrip.	Number	\$ Amount
		Qtr	Year	Qtr			
Bus. Network Events-Hosted	Nov. 08	2	2009	2	Events	1.00	\$ (845.75)
Marketing - P/R, Print, Websites	Nov. 08	2	2009	2	Marketing	1.00	\$ (6,002.81)
Cantillon Web Based Education	Nov. 08	2	2009	2	Consult & Mentors	1.00	\$ (1,200.00)
SPARK BA Direct Staffing	Dec. 08	2	2009	2	Direct Staff	1.00	\$ (13,084.00)
Phase III (Intensive Service)	Dec. 08	2	2009	2	Hours	280.75	\$ (28,075.00)
Business Incubator	Dec. 08	2	2009	2	Facility Exp	1.00	\$ (15,838.83)
SPARK Accounting	Dec. 08	2	2009	2	Accting Svc	1.00	\$ (3,583.00)
Bus. Network Events-Sponsorship	Dec. 08	2	2009	2	Events	1.00	\$ (1,250.00)
Bus. Network Events-Hosted	Dec. 08	2	2009	2	Events	1.00	\$ (1,099.55)
Marketing - P/R, Print, Websites	Dec. 08	2	2009	2	Marketing	1.00	\$ (4,109.00)
Cantillon Web Based Education	Dec. 08	2	2009	2	Promo - Q Pymt	1.00	\$ (1,000.00)
Cantillon Web Based Education	Dec. 08	2	2009	2	Consult & Mentors	1.00	\$ (1,200.00)
Legal & Admin. Support	Jan. 09	3	2009	3	Admin. Support	1.00	\$ (4,000.00)
SPARK BA Direct Staffing	Jan. 09	3	2009	3	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	Jan. 09	3	2009	3	Hours	9.00	\$ (900.00)
Phase III (Intensive Service)	Jan. 09	3	2009	3	Hours	112.81	\$ (11,281.00)
Business Incubator	Jan. 09	3	2009	3	Facility Exp	1.00	\$ (10,405.00)
SPARK Accounting	Jan. 09	3	2009	3	Accting Svc	1.00	\$ (3,583.00)
Bus. Network Events-Sponsorship	Jan. 09	3	2009	3	Events	1.00	\$ (6,000.00)
Bus. Network Events-Hosted	Jan. 09	3	2009	3	Events	1.00	\$ (2,169.00)
Marketing - P/R, Print, Websites	Jan. 09	3	2009	3	Marketing	1.00	\$ (3,915.00)
Cantillon Web Based Education	Jan. 09	3	2009	3	Consult & Mentors	1.00	\$ (1,200.00)
Tuition Matching	Jan. 09	3	2009	3	Bootcamp Match	1.00	\$ (497.00)
A2 Angels	Jan. 09	3	2009	3	A2 Angels	1.00	\$ (6,250.00)
Bus. Network Events-Sponsorship	Feb. 09	3	2009	3	Events-Refunded Jan 09	1.00	\$ 5,000.00
Legal & Admin. Support	Feb. 09	3	2009	3	Legal	1.00	\$ (165.00)
Phase III (Intensive Service)	Feb. 09	3	2009	3	Hours - Refunded Nov 08	60.25	\$ 6,025.00
SPARK BA Direct Staffing	Feb. 09	3	2009	3	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	Feb. 09	3	2009	3	Hours	9.50	\$ (950.00)
Phase III (Intensive Service)	Feb. 09	3	2009	3	Hours	96.81	\$ (9,681.00)
Business Incubator	Feb. 09	3	2009	3	Facility Exp	1.00	\$ (15,034.48)
SPARK Accounting	Feb. 09	3	2009	3	Accting Svc	1.00	\$ (3,583.00)
Bus. Network Events-Sponsorship	Feb. 09	3	2009	3	Events	1.00	\$ (1,500.00)
Bus. Network Events-Hosted	Feb. 09	3	2009	3	Events	1.00	\$ (1,785.00)
Marketing - P/R, Print, Websites	Feb. 09	3	2009	3	Marketing	1.00	\$ (4,558.00)
Cantillon Web Based Education	Feb. 09	3	2009	3	Consult & Mentors	1.00	\$ (1,200.00)
SPARK BA Direct Staffing	March 09	3	2009	3	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	March 09	3	2009	3	Hours	36.63	\$ (3,663.00)
Phase III (Intensive Service)	March 09	3	2009	3	Hours	199.00	\$ (19,900.00)
Business Incubator	March 09	3	2009	3	Facility Exp	1.00	\$ (22,958.87)
SPARK Accounting	March 09	3	2009	3	Accting Svc	1.00	\$ (3,583.33)
Bus. Network Events-Hosted	March 09	3	2009	2	Events	1.00	\$ (642.80)

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Category	Detail	Fiscal Year			Measureable			\$ Amount
		Incurred		Billed	Unit Descrip.	Number		
		Qtr	Year	Qtr				
Marketing - P/R, Print, Websites	March 09	3	2009	3	Marketing	1.00	\$ (6,946.58)	
Cantillon Web Based Education	March 09	3	2009	3	Maintenance	1.00	\$ (7,050.00)	
Cantillon Web Based Education	March 09	3	2009	3	Promo - Q Pymt	1.00	\$ (1,000.00)	
Cantillon Web Based Education	March 09	3	2009	3	Consult & Mentors	1.00	\$ (1,200.00)	
Entrepreneur Educ.-Bootcamp & C	March 09	3	2009	3	Bootcamp	1.00	\$ (10,000.00)	
Legal & Admin. Support	April 09	4	2009	4	Meeting Exp.	1.00	\$ (13.77)	
Legal & Admin. Support	April 09	4	2009	4	Legal	1.00	\$ (613.60)	
Legal & Admin. Support	April 09	4	2009	4	Consultant	1.00	\$ (1,200.00)	
SPARK BA Direct Staffing	April 09	4	2009	4	Direct Staff	1.00	\$ (13,084.00)	
Phase II (Due Diligence)	April 09	4	2009	4	Hours	55.40	\$ (5,540.00)	
Phase III (Intensive Service)	April 09	4	2009	4	Hours	10.00	\$ (1,000.00)	
Phase III (Intensive Service)	April 09	4	2009	4	Non-Hourly	1.00	\$ (10,000.00)	
Business Incubator	April 09	4	2009	4	Facility Exp	1.00	\$ (11,512.33)	
SPARK Accounting	April 09	4	2009	4	Accting Svc	1.00	\$ (3,583.33)	
Bus. Network Events-Hosted	April 09	4	2009	4	Events	1.00	\$ (1,418.35)	
Marketing - P/R, Print, Websites	April 09	4	2009	4	Marketing	1.00	\$ (6,110.47)	
Cantillon Web Based Education	April 09	4	2009	4	Consult & Mentors	1.00	\$ (1,200.00)	
Entrepreneur Educ.-Bootcamp & C	April 09	4	2009	4	Bootcamp	1.00	\$ (3,500.00)	
Tuition Matching	April 09	4	2009	4	Bootcamp Match	1.00	\$ (10,000.00)	
A2 Angels	April 09	4	2009	4	A2 Angels	1.00	\$ (3,125.00)	
Legal & Admin. Support	May 09	4	2009	4	Legal	1.00	\$ (221.00)	
Legal & Admin. Support	May 09	4	2009	4	Meeting Exp.	1.00	\$ (361.66)	
SPARK BA Direct Staffing	May 09	4	2009	4	Direct Staff	1.00	\$ (13,084.00)	
Phase II (Due Diligence)	May 09	4	2009	4	Hours	67.80	\$ (6,780.00)	
Phase III (Intensive Service)	May 09	4	2009	4	Hours	245.20	\$ (24,520.00)	
Phase III (Intensive Service)	May 09	4	2009	4	Non-Hourly	1.00	\$ (1,950.00)	
Business Incubator	May 09	4	2009	4	Facility Exp	1.00	\$ (12,775.22)	
SPARK Accounting	May 09	4	2009	4	Accting Svc	1.00	\$ (3,583.33)	
Bus. Network Events-Hosted	May 09	4	2009	4	Events	1.00	\$ (834.56)	
Marketing - P/R, Print, Websites	May 09	4	2009	4	Marketing	1.00	\$ (7,476.74)	
Cantillon Web Based Education	May 09	4	2009	4	Maintenance	1.00	\$ (1,900.00)	
Cantillon Web Based Education	May 09	4	2009	4	Consult & Mentors	1.00	\$ (1,200.00)	
Entrepreneur Educ.-Bootcamp & C	May 09	4	2009	4	Bootcamp	1.00	\$ (4,000.00)	
Legal & Admin. Support	June 09	4	2009	4	Meeting Exp.	1.00	\$ (12.99)	
Legal & Admin. Support	June 09	4	2009	4	Audit	1.00	\$ (8,362.50)	
SPARK BA Direct Staffing	June 09	4	2009	4	Direct Staff	1.00	\$ (13,076.00)	
Phase II (Due Diligence)	June 09	4	2009	4	Hours	40.50	\$ (4,050.00)	
Phase III (Intensive Service)	June 09	4	2009	4	Hours	436.67	\$ (43,667.00)	
Phase III (Intensive Service)	June 09	4	2009	4	Non-Hourly	1.00	\$ -	
Business Incubator	June 09	4	2009	4	Facility Exp	1.00	\$ (10,952.24)	
SPARK Accounting	June 09	4	2009	4	Accting Svc	1.00	\$ (3,585.33)	
Bus. Network Events-Hosted	June 09	4	2009	4	Events	1.00	\$ (4,661.08)	

Category	Detail	Fiscal Year			Measureable			\$ Amount
		Incurred		Billed	Unit Descrip.	Number		
		Qtr	Year	Qtr				
Marketing - P/R, Print, Websites	June 09	4	2009	4	Marketing	1.00	\$ -	
Cantillon Web Based Education	June 09	4	2009	4	Consult & Mentors	1.00	\$ (3,025.00)	
Entrepreneur Educ.-Bootcamp & C	June 09	4	2009	4	Bootcamp	1.00	\$ (7,700.00)	
Tuition Matching	June 09	4	2009	4	Bootcamp Match	1.00	\$ -	
A2 Angels	June 09	4	2009	4	A2 Angels	1.00	\$ (3,125.00)	
Phase II (Due Diligence)	June 09	4	2009	4	Hours	8.00	\$ (800.00)	
Phase III (Intensive Service)	June 09	4	2009	4	Hours	7.50	\$ (750.00)	

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## **PUBLIC MEETING NOTICE**

### **Ann Arbor-Ypsilanti SmartZone Local Development Finance Authority**

#### ***Location:***

City of Ann Arbor  
SPARK Central Incubator  
330 E. Liberty St.  
Ann Arbor, Michigan 48104  
(734) 794-6500

#### **FY 2010 Meeting Schedule:**

September 22, 2009	8:15am – 10:15am
October 27, 2009	8:15am – 10:15am
January 26, 2010	8:15am – 10:15am
March 16, 2010	8:15am – 10:15am
April 27, 2010	8:15am – 10:15pm
June 15, 2010	8:15am – 10:15am
July 27, 2010	8:15am – 10:15am

Persons with disabilities are encouraged to participate. Accommodations, including sign language interpreters, may be arranged by contacting the City Clerk's Office by telephone at (734) 794-6140 or by written request addressed to the City Clerk's Office, 100 N. Fifth Ave., Ann Arbor, MI 48104, at least 24 hours in advance.

## **AGREEMENT**

This Agreement is effective as of the 1st day of July, 2009, between the Ann Arbor-Ypsilanti SmartZone Local Development Finance Authority (hereinafter referred to as the "LDFA"), whose address is Guy C. Larcom, Jr. Municipal Building 5th Floor, 100 N. Fifth Avenue, Ann Arbor, MI 48104, and Ann Arbor SPARK (hereinafter referred to as the "Contractor"), whose address is 201 South Division, Ann Arbor, MI 48104. As used herein, the LDFA and the Contractor are sometimes collectively referred to as the "Parties."

### **Article I - Purpose**



1.1 The purpose of this Agreement is to engage the Contractor to perform work in support of the Ann Arbor-Ypsilanti SmartZone, as described in the Scope of Work attached hereto as Attachment A and incorporated herein by this reference (hereinafter referred to as the "Scope of Work"). The Scope of Work may be amended and/or supplemented by mutual agreement of the Parties, with such amendments or supplements to be included as separate Attachments.

### **Article II - Term and Funding**

- 2.1 This Agreement covers the period July 1, 2009 -June 30, 2010 (hereinafter referred to as the "Project Service Term") plus an additional 60 days for provision of the report required by Section 3.3 (collectively hereinafter referred to as the "Contract Term").
- 2.2 The fees to be paid Contractor and the terms of payment are detailed more specifically in Attachment A and subsequent Attachments if any. Payment of any amount scheduled to be made other than at the outset of a work assignment shall be conditioned upon Contractor's prior submission of any report, and successful performance by Contractor of any work, required to be completed prior to the time said payment is scheduled to be made.
- 2.3 The Contractor shall be responsible for any cost overruns. No funds will be payable by the LDFA in respect of any costs additional to the costs detailed in the Scope of Work, unless the written approval of the LDFA has been secured in advance.
- 2.4 This Agreement does not obligate or commit the LDFA to approve requests for additional funds during or beyond the Project Service Term.
- 2.5 The Parties acknowledge that this Agreement is subject to applicable local, state and federal laws, rules, and policies.

### **Article III - Scope of Work and Compliance Activities**

3.1 The Contractor shall complete its work in accordance with the Scope of Work.

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

3.2 The Contractor shall provide to the LDFA written quarterly summaries of progress at the first LDFA board meeting following the end of each calendar quarter, which outline the work accomplished during the applicable quarterly reporting period; problems, real or anticipated, which should be brought to the attention of the LDFA; notification of any significant deviation from the Scope of Work; and other information that may be requested by the LDFA. These summaries shall contain financial information sufficient to assure that LDFA funds are used only in connection with the Scope of Work. These reports shall include but not be limited to the following: 1) the number and identity of companies or entrepreneurs in each phase; and 2) the number and identity of companies that receive phase III engagements.

3.3 The Contractor shall provide a written Final Program Progress Report to the LDFA no later than sixty (60) days after the end of the Project Service Term. In addition to the required quarterly reporting elements, the Final Program Progress Report shall disclose: 1) a census of the annual and cumulative number of jobs created within the Service Area (as defined in Attachment A) as of June 30, 2010 (with jobs defined as the incremental increase in the number of FTEs beginning with the date a Business Accelerator proposal is signed, or a loan is provided, or when a SPARK Central Incubator agreement is first executed, or when participation in Boot camp occurs); 2) a census of the annual and cumulative number of jobs related to Business Accelerator, SPARK Central Incubator, and Boot camp clients that have left the Service Area because of relocation, merger, acquisition, or business failure as of June 30, 2010; 3) a census of the number and identity of current and past clients the Contractor deems no longer eligible for LDFA funded services as of June 30, 2010; and 4) a census of the number and identity of clients for which information regarding jobs creation is no longer being collected as of June 30, 2010. The Contractor shall report to the LDFA regarding the methodology utilized in the census.

3.4 The LDFA may require the Contractor to produce receipts for cost(s) incurred and/or itemized accounts of expenditure. If the Contractor is required to produce receipts for cost(s) incurred, then this should take the form of receipted invoices. If the Contractor is required to produce an itemized account of expenditure, this should take the form of a printed list of each item of expenditure and the costs incurred, certified as an accurate record by a duly authorized representative of Contractor. The LDFA may, on a sample basis, seek further verification of individual transactions, in the form of a receipted invoice or equivalent evidence for that transaction. The LDFA may have the records of Contractor which pertain to the Scope of Work reviewed or audited by an independent party. The cost of such review or audit shall be borne by the LDFA.

3.5 Contractor shall: maintain insurance adequate and reasonable to support its services under this Agreement, and as may otherwise be required by applicable federal, national, state and local laws and regulations; name LDFA as an additional insured on such policies; and provide LDFA a certificate of insurance, evidencing the foregoing upon execution of this Agreement and from time to time as LDFA may request.

### 3.6 New Inventions

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- 3.6.a "New Inventions" means all ideas, inventions, discoveries and other intellectual property (including, but not limited to, those that are or may be patentable or subject to copyright, trademark or patent protection), and all improvements thereto and compilations and derivative works thereof, that Contractor creates, authors, makes, originates, conceives or reduces to practice (alone or with others) in connection with the Scope of Work or under the MEDC SmartZone Business Accelerator Grant #0264 (including, without limitation, website/web portal design, development and content), but does not include any rights in ideas, inventions, discoveries and improvements or other intellectual property licensed by Contractor from third parties or work product produced by Contractor or its subcontractors specifically for Clients of the Business Accelerator.
- 3.6.b All New Inventions shall be the sole and exclusive property of the LDFA, and Contractor hereby assigns to the LDFA all rights therein, except as may otherwise be expressly agreed to by LDFA in writing. During the Project Service Term only, LDFA grants Contractor an irrevocable, non-exclusive, royalty-free (except as otherwise provided in this Agreement and any Attachment), worldwide license to make, use, import, copy, distribute, modify, perform and display the New Inventions for purposes consistent with the Tax Increment Financing and Development Plan for the Ann Arbor/Ypsilanti SmartZone (the "TIF Plan"). The foregoing license shall not include the right to sublicense except as otherwise provided in this Agreement and any Attachment. The foregoing license shall be coterminus with the Project Service Term.
- 3.6.c In order that the LDFA may protect its rights in the New Inventions, Contractor agrees to promptly disclose to the LDFA all New Inventions. Contractor will make adequate written records of all New Inventions, which records shall be LDFA's property; and, both during and after termination of Contractor's engagement with LDFA, Contractor will, without charge to LDFA but at LDFA's request and expense, sign all papers, including forms of assignment, and render any other proper assistance necessary or desirable to transfer or record the transfer to LDFA of Contractor's entire right, title and interest in and to the New Inventions, and for LDFA to obtain, maintain, defend and enforce patents, copyrights, trademarks, trade secrets and other protections thereon or with respect thereto (as the case may be) throughout the world.
- 3.6.d Contractor grants LDFA an irrevocable, perpetual, non-exclusive, paid-up, royalty-free, worldwide, transferable license to make, use, sell, offer for sale, import, copy, distribute, modify, perform and display any ideas, inventions, discoveries or other intellectual property, and all improvements thereto and compilations and derivative works thereof, owned by Contractor to the extent required by the LDFA to exploit the deliverables or other work product provided as part of the Scope of Work or to fulfill the requirements of the Scope of Work or otherwise for purposes consistent with the TIF Plan.
- 3.6.e Contractor hereby represents and warrants to LDFA that any employees performing services under the Scope of Work are obligated under the terms of their employment to transfer all right, title and interest in New Inventions to Contractor and that such employees will have no

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title, right or interest whether legal or beneficial in any New Inventions. Additionally, if Contractor hires subcontractors to provide services within the Scope of Work and such subcontractors receive a monetary fee for such services (other than non-material stipends), Contractor will ensure that under the terms of engagement of such subcontractors, all intellectual property rights in "Educational Materials" (as hereafter defined) arising out of or relating to the work done by such subcontractors will vest or will be caused to vest in the Contractor, and in turn in LDFA, as a New Invention, and that such subcontractors will have no right, title or interest, whether legal or beneficial, in any such intellectual property. "Educational Materials" means training, presentation, educational and/or informational materials, programs, methodologies, formulas, techniques, forms, templates and similar information developed or used for general or broad-based training, education or consulting under the Scope of Work.

## Article IV - Investments

- 4.1 Neither Contractor nor its subcontractors shall invest LDFA funds, directly or indirectly, in client firms during the contract term, including but not limited to equity interest, options, warrants or recourse or non-recourse debt; provided however that the foregoing shall not limit Contractors' ability to make micro loans per Attachment A Section 1.2 and provided further that the Parties acknowledge that Business Accelerator clients may have repayment obligations per Attachment A Section 1.1.3(iv).
- 4.2 Contractor may not condition the services it provides to clients under this Agreement on the opportunity for Contractor to make direct or indirect investments in said clients.

## Article V - Administration

- 5.1 Notices. The Contractor shall communicate with all of the following designees at the address of record for the LDFA in connection with this Agreement:

Chairman

Treasurer

Secretary

The LDFA shall communicate with all of the following designees at the address of record for the Contractor in connection with this Agreement:

President and CEO

Managing Director, Business Accelerator Services

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LDFA

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## Article VI - Breach and Termination

- 6.1 If the Contractor fails to comply with any provision of this Agreement it shall be considered in default and given 30 days from notice by the LDFA to cure the default so that it would be in compliance; provided that if the default is not cured within 15 days of such notice, the LDFA may suspend or restrict payments under this Agreement for the provisions of this Agreement that are the subject of the default and shall notify Contractor of the same. If the default is not cured within 30 days of such notice, the LDFA can suspend or restrict any or all payments under this Agreement and shall notify Contractor of the same. Once notice has been sent to Contractor, Contractor agrees that it will not incur any further costs under the Scope of Work until notified in writing by the LDFA that the suspension or restriction has been terminated; provided however, that LDFA will allow funding under this Agreement for all necessary and proper Project costs which could not reasonably be avoided during the period of any suspension or restriction.
- 6.2 The LDFA may terminate this Agreement in whole or in part, at any time, if LDFA determines that Contractor has failed to comply with any provision of this Agreement or has engaged in fraudulent or reckless behavior, or willful misconduct. In such an event, the LDFA shall notify the Contractor of the termination. Should the LDFA terminate this Agreement because of the Contractor's fraud, recklessness, or willful misconduct, the Contractor shall return to the LDFA all funds received under this Agreement.
- 6.3 The LDFA and the Contractor may terminate this Agreement in whole or in part, by mutual agreement. In such event, the Parties shall agree upon the conditions of termination. In no event shall the Contractor incur further costs under the Scope of Work after the effective date of such termination. The LDFA shall not be obligated to pay any further fees or costs under the Scope of Work for the terminated portion of this Agreement that are incurred by the Contractor after the effective date of such termination. The Contractor shall use commercially reasonable efforts to cancel as many outstanding obligations as possible in the event of termination.
- 6.4 LDFA may terminate this Agreement at any time effective upon 90 days prior written notice to Contractor.

## Article VII - Effective Date and Miscellaneous Provisions

- 7.1 This Agreement shall be effective as of July 1, 2009.
- 7.2 Should any portion of this Agreement or the attached exhibits be declared void or unenforceable, the remaining portions shall remain in full force and effect.
- 7.3 The relationship between the LDFA and the Contractor is that of independent contractors. Neither of the Parties nor their respective agents or employees shall under any circumstances be deemed to be agents, representatives, or partners of the other party and neither of the Parties shall enter into any contract or commitment in the nature or on behalf of the other party.

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LDFA Contractor


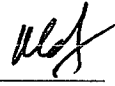


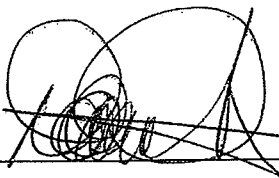
- 7.4 This Agreement shall be governed and construed in accordance with the laws of the State of Michigan, and the Contractor consents to the exclusive jurisdiction of the state courts and federal courts located in Washtenaw County, Michigan for any controversy or cause arising out of or relating to this Agreement or the breach thereof, whether involving remedies at law or in equity.
- 7.5 The LDFA and the Contractor agree to perform any further acts to execute and deliver any further documents, which may be reasonably necessary to carry out the provisions of this Agreement.
- 7.6 The Contractor shall not assign, transfer, convey or otherwise dispose of any duties or rights under this Agreement without the prior specific written consent of the LDFA; provided, however, that this sentence shall not be construed to prevent Contractor from engaging subcontractors to perform its obligations under this Contract as contemplated hereby. Any future successors of the Contractor will be bound by the provisions of this Agreement unless the LDFA otherwise agrees in writing. The LDFA reserves the right to require the Contractor to replace subcontractors who are found to be unacceptable.
- 7.7 This Agreement, including its Attachments, sets forth the entire agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter hereof. It is further understood and agreed that the terms and conditions herein are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter hereof, except as expressly stated herein.
- 7.8 The rights and remedies of the LDFA specified in this Agreement shall be in addition to all other rights and remedies available to the LDFA. Nothing contained in this Agreement shall be construed as a waiver of the LDFA's rights unless specifically and expressly agreed to in writing by the LDFA.
- 7.9 The Contractor shall maintain reasonable records in connection with the work performed pursuant to this Agreement, and shall allow access to those records by the LDFA or its authorized representatives.
- 7.10 This Agreement may be amended only upon written agreement by LDFA and Contractor.
- 7.11 This Agreement may be signed in counterpart. The counterparts taken together shall constitute a single agreement.

Each party hereto represents that it is duly authorized to enter into this Agreement and that its signatory below is duly authorized to sign this Agreement on its behalf,

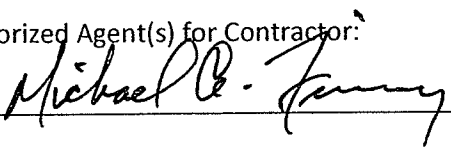
Agreed to and accepted this 12<sup>th</sup> day of July, 2009.

Authorized Agent for the LDFA:

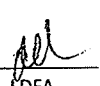
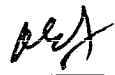
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 LDFA Contractor

By:  \_\_\_\_\_

Darryl Daniels, Ann Arbor-Ypsilanti SmartZone Local Development Finance Authority  
Contract Committee Chair

Authorized Agent(s) for Contractor:  
By:  \_\_\_\_\_

Michael A. Finney, President & CEO  
Ann Arbor SPARK

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## ATTACHMENT A

To Agreement between the Ann Arbor-Ypsilanti SmartZone Local Development Finance Authority and Ann Arbor SPARK effective as of the 1<sup>st</sup> day of July, 2009

### Scope of Work

Contractor acknowledges the dual purpose and objective of the Business Accelerator and all related services, programs, and events is to promote local job creation among technology-based entrepreneurial and newly formed companies, and to expand the tax base within the geographic boundaries served by the Ann Arbor-Ypsilanti Local Development Finance Authority. The "Service Area" for the Ann Arbor-Ypsilanti Local Development Finance Authority is defined as the city limits of Ann Arbor, Michigan and Ypsilanti, Michigan, however direct expenditure of funds by the LDFA shall be limited to the geographic boundaries of the Ann Arbor portion of the LDFA, except where permitted per particular use identified in some activities in this Scope of Work. Client firms having their principal place of business outside the Service Area are not eligible recipients of LDFA funded services or loans. For very early stage companies where the principal place of business has not been established or is undeterminable, the requirement to locate the principal place of business within the Service Area can temporarily be satisfied by the client becoming a member of the SPARK Central Business Incubator.

For the period July 1, 2009 through June 30, 2010, Contractor shall provide the following services on the following terms:

#### 1 Direct Services

##### 1.1 Business Accelerator Services.

1.1.1 Business Accelerator Direct Staffing. Contractor shall provide staffing sufficient to conduct directly the Scope of Work outlined herein. It is anticipated that 100% of the activities of Phase I (see 1.1.2 below), approximately 50% of the activities of Phase II (see 1.1.3 below), and 100% executive talent recruiting activities will be conducted by Contractor staff resources. The annual fee shall be \$200,000, with monthly reimbursements not to exceed \$16,667.

1.1.2 Phase I. Phase I is defined as Contractor's initial contact and screening phase to understand and assess the business and technology proposition and determine in Contractor's sole discretion if advancement to a Phase II engagement is warranted. This includes but is not limited to: (a) review/screen for general programmatic fit, (b) solicit reviews from advisors/consultants for high level reaction, (c) referral to Phase II or other programs or outside resources. Phase I activities shall be conducted by Contractor staff as indicated in Section 1.1.1.

1.1.3 Phase II. Phase II is defined as more in-depth evaluation of prospective client firms to determine if the business is capable and/or ready for substantial Contractor consulting assistance in Phase III. This includes but is not limited to: (a) Contractor review for qualification of opportunity

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attractiveness, (b) opportunity and issue assessment, (c) scope of engagement for Phase III, (d) feedback to client from assessment, and (e) identification of criteria required for reconsideration. This Phase II is expected to take less than 10 hours of consulting time per client, and it is expected that Contractor will outsource approximately 50% of all Phase II activities to qualified subcontractors. The maximum fee for subcontractor activity shall be \$25,000. These monies shall not be utilized for any other purpose within or outside of the Contractor. Contractor and client for whom Phase II services are performed shall sign a statement of understanding acknowledging:


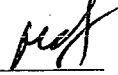
- (i) That the engagement is non-exclusive, and Contractor is free to provide similar services to other clients, and client is free to obtain similar services from another provider at client's own expense;
- (ii) LDFA may audit the services provided to client, any agreement regarding confidentiality notwithstanding;
- (iii) Client has been informed of Contractor's conflict of interest policies; and
- (iv) If client moves out of the city of Ann Arbor within one year of receiving Phase III services and support, client shall repay immediately the cost of those services

1.1.4 Phase III. Phase III is defined as substantial Contractor involvement for business development to advance client firms beyond the startup phase to the seed and growth stages. This includes but is not limited to: (a) development or refinement of a plan, schedule, and budget for achievement of high value milestone(s), (b) addressing a strategic issue, (c) implementation of a milestone plan, (d) advancing the client on 1-3 strategic fronts, (e) development of an extended plan at the end of the engagement. Contractor will outsource 100% of all Phase III activities to qualified subcontractors and vendors. Phase III services eligible for reimbursement by the LDFA may include:

- Business plan, operational consulting, and business development assistance;
- Patent, licensing, and intellectual property rights consulting and legal review;
- Talent and recruitment assistance;
- Identification and development of bank, angel, venture capital, seed, pre-seed, customer, governmental, or private grant funding sources.

1.1.5 The maximum fee for subcontractor activity shall be \$275,000.

1.1.6 Business Accelerator Services. Contractor shall maintain accurate, complete, and contemporaneous records of services performed, identification of the service recipient or business purpose, location of the service recipient's principal place of business, date and duration of services, and the individual performing services on behalf of the Contractor. This

Initial  LDFA Initial  Contractor



detail need not be included on monthly invoices, provided each invoice bears a legend certifying the invoice conforms to the terms of the Agreement and all Attachments, is subject to audit and verification, and is signed and dated by one of the Contractor's authorized agents as listed in the Agreement. Invoices for work performed shall be submitted no sooner than five (5) and no more than fifteen (15) business days following the end of the monthly billing cycle. Upon receipt of an invoice, LDFA shall determine within three (3) business days if the submission is sufficient to authorize payment, or if the submission needs further detail consistent with this Agreement.

1.2 Micro Loan Fund - Contractor shall administer a micro loan fund approved by the LDFA from time to time. This fund will be used solely to make interest non-recourse, subordinated loans to start-up and early stage growth companies to use for operations and other activities not provided under a Phase III service provided under Business Accelerator services. Loan approval shall be made by a committee established by Contractor and comprised of experienced entrepreneurs, technology business leaders, and investors. Loans shall not be provided to companies capable of receiving commercial bank loans. Loan amounts would range between \$5,000 and \$50,000. Contractor will provide the LDFA on a quarterly basis at the first LDFA board meeting following the end of each calendar quarter a report that identifies all applicants, the amount requested, whether or not application was approved, size of loan, jobs retained and created during the term of the loan and use of loan proceeds.

1.2.1 The total micro loan fund size shall be \$275,000, paid by LDFA to Contractor in advance in two tranches of \$137,500 each. The first payment will be made the first month of Project Service Term and the second tranche paid when funds in the micro loan fund bank account described below is less than \$50,000. All micro loan funds shall be maintained in a segregated bank account and shall not be commingled with other funds. All amounts received by Contractor in repayment of micro loans shall be deposited into the micro loan fund bank account to be used to make micro loans on substantially the same terms and conditions set forth in Section 1.2 above.

1.2.2 Termination or Cancellation – In furtherance and not in limitation of the provisions of Section 6.2 of the Agreement, LDFA may terminate Contractor's administration of the micro loan fund program at any time upon written notice to Contractor. In the event of any such termination by LDFA, Contractor shall promptly return to LDFA any funds on deposit in the micro loan fund bank account or subsequently deposited into such account upon repayment of a micro loan, and upon LDFA's request shall cooperate with LDFA to transition the micro loan fund program to LDFA or its designee.

1.3 Angel Investment Group Support - Contractor will continue work with an "angel" group to build a robust angel network of investors interested in Business Accelerator clients. Activities will be focused on screening of investment opportunities, early due diligence, facilitate connections between entrepreneurs and investors, organize meetings and build membership. No funds will be

Initial  LDFA Initial  Contractor

used for investment or in support of investor expenses. The total amount of reimbursement per year shall not exceed \$25,000, paid in equal quarterly payments of \$6,250.

#### 1.4 Entrepreneurs Boot Camp



- 1.4.1 Contractor shall develop curriculum and organize a professional panel of qualified experts sufficient to conduct two intensive multi-day workshops for early stage entrepreneurs. Attendance at each of these workshops shall be limited to representatives of no more than 15 firms and no fewer than 8 firms. Contractor shall be reimbursed for up to two (2) Boot Camp sessions in the Project Service Term, with \$10,000 to be paid not more than 30 days prior to the date of the scheduled event.
- 1.4.2 Contractor shall maintain, and provide to LDFA upon request, records identifying attendees, the location of their principal offices, and the nature of their businesses. LDFA shall provide to Contractor tuition match payments up to an aggregate of \$10,000 per session for qualified Boot Camp attendees having their principal place of business within Service Area. Contractor shall maintain in its records copies of tuition checks evidencing eligibility for tuition match payments.
- 1.4.3 Annual gross amount paid for Entrepreneur Boot Camp under this Section 1.4 shall not exceed \$40,000.

#### 1.5 Business Networking Events.

- 1.5.1 Hosted Events. Contractor shall conduct educational and networking events for current and potential Business Accelerator clients along with vendors, service providers, consultants and advisors to be held within the Service Area throughout the Project Service Term.
- 1.5.2 Sponsorships/Partnered Events. Contractor shall support educational and networking events in partnership or as a sponsor with other entrepreneurial support organizations (e.g., A2Geeks, Zell Lurie Institute, TechNow09) that serve current and potential Business Accelerator clients. Geographic boundaries do not apply to this subsection.
- 1.5.3 Contractor will be reimbursed for actual expenses on a monthly basis for Hosted Events and Partnerships/Sponsored Events as described in Sections 1.5.1 and 1.5.2, upon delivery by Contractor to LDFA of a certified invoice with supporting detail that provides the date and place of the event, the purpose of the event, and the approximate number of attendees. The total amount of reimbursement per year shall not exceed \$40,000.
- 1.5.4 On a "best efforts" basis, Contractor shall maintain records for Hosted Events identifying attendees, the location of their principal offices, the nature of their businesses, and whether or not each is an entrepreneur.

#### 1.6 Entrepreneur Education

##### 1.6.1 Cantillon Entrepreneurial Education Series

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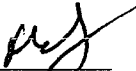
- (i) Contractor shall maintain the operation of the Cantillon Entrepreneurial Education Series ("Cantillon"). Contractor shall submit invoices to the LDFA not to exceed an annual gross amount of \$24,000.
- (ii) Contractor shall have the right to enter into sublicense agreements covering Cantillon New Inventions and shall promptly notify LDFA of any sublicenses of Cantillon New Inventions. Contractor shall make every reasonable effort possible to promote, distribute, encourage the use of, and appropriately charge for the use of Cantillon New Inventions by third party consultants, and contractors within the SmartZone, Washtenaw County, and through the network of SmartZones within the State of Michigan. All gross revenues, user fees, license fees, and royalty payments whatsoever shall be promptly delivered to the LDFA for the express purpose of establishing a segregated reserve account to offset the costs of upgrades and maintenance to Cantillon in future periods.
- (iii) Contractor shall make reasonable and good faith efforts to ensure that the Cantillon project can successfully be maintained and continued with the same or better quality, content and robustness in Contractor's absence or dissolution.

1.7 Contractor shall conduct classes in support of entrepreneurial executives on a regular basis. These shall be classroom style classes covering a variety of topics such as sales training, transitioning industries, human resource development and team building, and strategic planning. Contractor shall submit for reimbursement on a monthly basis an invoice for development and delivery of entrepreneurial classes. For development of classes, Contractor shall maintain records of expenses incurred and supporting documentation, including completed course materials. For delivery of classes, Contractor shall maintain records of attendees, including location of principal office, and the nature of the firm's business. Contractor shall submit invoices to the LDFA on a monthly basis with the annual expense not to exceed a gross amount of \$25,000.

1.8 SPARK Central Business Incubator


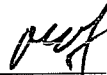
Qualifications for SPARK Central Business Incubator clients, including objective criteria for admission, the scope of services to be provided, and termination or exit criteria has been established in a written plan of operations that has been formally adopted and approved by the Contractor's board or governing body. The maximum annual fee shall be \$140,000; the monthly maximum shall not exceed \$16,000 and should include a line item accounting for each of the elements described in Sections 1.5.1 through 1.5.8. In no event shall the amount invoiced to the LDFA for any single line item exceed the amount actually expended. The Contractor shall provide information related to SPARK Central Incubator clients in the same manner as that required for Phase III Business Accelerator clients as described in Section 1.1.6.

1.8.1 Lease Subsidy. Contractor shall keep current with lease or sub-lease payments obligations on terms consistent with the original base lease agreement with First Martin Corp. for the purpose

Initial  Initial   
 LDFA Contractor

of providing a facility to house the SPARK Central Business Incubator at 330 East Liberty Street, Ann Arbor, MI 48104. Contractor shall be entitled to charge incubator clients reduced rents, access or membership privileges, on substantially identical terms for similar levels of service or membership. Fees for the lease subsidy charged by Contractor to the LDFA will be reduced to reflect revenues collected from Incubator Clients.

- 1.8.2 Administrative Support. Contractor shall provide or cause to be provided, administrative services that include management of all leases and sub-leases, membership or access privileges, accounts payable, accounts receivable, legal, building security, negotiation of facility lease extensions (including leasehold improvements), and all business functions necessary to maintain day to day operations of the SPARK Central Business Incubator. Contractor may also provide or cause to be provided, scheduling of facility resources along with routine telephone answering and reception services for incubator clients, and to include these services as part of the standard agreement with SPARK Central Business Incubator clients without additional charge.
- 1.8.3 Utilities and Taxes. Contractor shall provide or cause to be provided, electrical, water and sewer, and telephone utilities to the SPARK Central Business Incubator facility and its tenants. Contractor shall assume all liability for personal property taxes on equipment and leasehold improvements, special assessments, cause same to be paid to the appropriate taxing authorities on the date first due, and to include these services as part of the standard agreement with SPARK Central Business Incubator clients without additional charge.
- 1.8.4 Maintenance. Contractor shall provide or cause to be provided, routine janitorial and maintenance of the facility comprising the SPARK Central Business Incubator and to include these services as part of the standard agreement with SPARK Central Business Incubator clients without additional charge.
- 1.8.5 Internet Services. Contractor shall provide or cause to be provided, high-speed internet connections and shared wireless internet access throughout the facility for all SPARK Central Business Incubator tenants and to include these services as part of the standard agreement with SPARK Central Business Incubator clients without additional charge.
- 1.8.6 Advertising and Promotion. Contractor shall advertise and promote, at its sole discretion, through a variety of print, broadcast and electronic media, the availability of SPARK Central Business Incubator facilities along with a general description of the application process and admission criteria. These activities shall be conducted within the overall budget for Marketing Services.
- 1.8.7 Insurance. Contractor shall provide or cause to be provided, sufficient property, casualty, and liability insurance coverage necessary for operation of the SPARK Central Business Incubator and to include these coverages as part of the standard agreement with SPARK Central Business Incubator clients without additional charge.

Initial  Initial   
LDFA Contractor



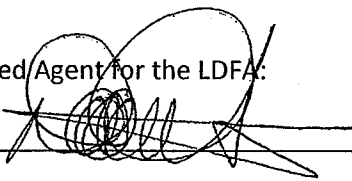
1.8.8 Shared Equipment Purchase. Contractor shall purchase or provide, the shared or non-shared standard business equipment needed to operate a SPARK Central Business Incubator including but not limited to telephone equipment and systems, scanners, fax machines, copiers, furniture and fixtures, cubicles, task and area lighting, teleconference equipment and to include exclusive and/or shared access to these resources as part of the standard agreement with SPARK Central Business Incubator clients without additional charge.

2 Indirect Services

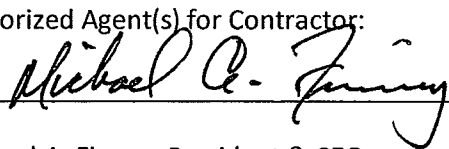
2.1 Accounting Services. Contractor shall provide accounting and contract management services to support this Agreement, in an amount not to exceed \$45,000. The monthly amount shall be \$3,750.

2.2 Marketing Services. Contractor shall execute its integrated Marketing Services Plan, approved by LDFA from time to time, which addresses Public Relations, Collateral Materials, and Internet initiatives that support, compliment or advance LDFA funded programs or objectives. Contractor shall submit invoices to the LDFA on a monthly basis with the annual expense not to exceed a gross amount of \$65,000.

Agreed to and accepted this 12<sup>th</sup> day of July, 2009.

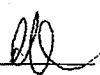

Authorized Agent for the LDFA:  
By: 

Darryl Daniels, Ann Arbor-Ypsilanti SmartZone Local Development Finance Authority  
Contract Committee Chair

Authorized Agent(s) for Contractor:  
By: 

Michael A. Finney, President & CEO  
Ann Arbor SPARK

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ANN ARBOR/YPSILANTI SMARTZONE  
LDFA  
MARKETING PLAN FINAL  
July 28, 2009

Ann Arbor SPARK (SPARK) is engaged in a variety of ongoing marketing and public relations efforts in support of the SPARK Business Accelerator (BA). These activities promote the creation and growth of innovation based companies within the Ann Arbor/Ypsilanti SmartZone. **The marketing plan is designed with the purpose of accelerating start-up business formation within the geographic boundary of the City of Ann Arbor.** Our marketing supports:

- Business Accelerator Services
- Biannual Entrepreneurial Boot Camp Program
- Business formation training
- Educational and networking events
- Start-up business resources, including consulting and business incubators
- Customer identification and business development partnership support for Business Accelerator clients

To fully leverage its marketing and PR efforts, SPARK has teamed up with local, regional and state-level partners to maximize its resources. It uses numerous outlets for communication, balancing client-related messaging, regional promotion and overall Business Accelerator awareness. This complexity demands that some marketing and PR activities be conducted on an integrated basis, to assure consistency and impact of the brand and messaging over time. In the event that an integrated marketing piece, public relations outreach and/or marketing activity will benefit the activities of the BA or an Ann Arbor-based start-up, a prorated portion of that activity will be billed to the LDFA.

This plan has an overall Communication Objective for the SmartZone's intended audiences; it pursues the objective via several distinct Communication Strategies; it incorporates electronic and traditional media Tactics to achieve the goals; and it targets specific Outcomes of importance to the mission of the SmartZone. Each of these is presented below, followed by implications for the budget.

**Communication Objective**

Increase awareness of the SPARK Business Accelerator as the local source for start-up/entrepreneurial education, funding assistance, business plan development, incubation and networking. Based on research that out of the top 10 resources needed to ensure entrepreneurial success, our communication outreach will focus on talent, sources of investment and customers. With emphasis on the following key industries and audiences:

*Key industries:*

- Life Sciences (medical devices, biotechnology, contract research organizations, medical IT)

- Information Technology (including applications development, software-as-a-service, internet-related businesses)
- Cleantech (including alternative energy, transportation, energy storage and efficiency)
- Photonics (including optics, imaging, lasers, communications and related automation)
- Advanced Materials (including nano particles, and coatings)
- Homeland Security & Defense (including tracking & surveillance, and advanced data collection)

*Key Audiences:*

- Entrepreneurs
- Talent who help start-ups
- Tech-enabled innovations
- Professional investors
- Angel investors
- University technology
- User groups
- Network-existing networking community
- University entrepreneurs
- Partner organizations
- Trade groups
- Micro-clusters
- Service providers (e.g., law firms, banks)
- Media outlets

**Communication Strategies**

The goals of the Marketing and Public Relations Programs:

- Establish and reinforce Ann Arbor as a desirable and supportive area for launching and growing innovative companies, related to the goal of assisting start-up businesses within the City of Ann Arbor
- Promote Business Accelerator training and educational programs within the entrepreneurial community
- Lead the conversation related to promoting Ann Arbor as a start-up business destination and an entrepreneurial “hot spot”, related to the goal of assisting start-up businesses within the City of Ann Arbor
- Promote Business Accelerator resources and services
- Promote the business incubator space and clients
- Support the SPARK talent enhancement initiatives including:
  - Starting Your Own Business seminars
  - Mingle and Match
  - Hot Shots
  - MichAgain ad campaign (talent retention)
  - Weekly talent newsletter

## Communication Tactics

Marketing and Advertising	Public Relations and Events
<p><b>Website</b></p> <ul style="list-style-type: none"> <li>Design</li> <li>Navigation reorganization</li> <li>SEO</li> <li>Content update</li> <li>Blogging strategy</li> <li>Links to/from partner sites</li> </ul> <p><b>Sponsorship of start-up associated seminars, events and programs that take place within the City of Ann Arbor</b></p> <p>Support educational and networking events in partnership or as a sponsor with other entrepreneurial support organizations (e.g., A2Geeks, Zell Lurie Institute, user groups).</p> <p><b>Marketing and AdWords Campaign</b></p> <p>Targeting Business Accelerator services including incubator(s), Boot Camp, entrepreneurial education, sources of funding -- targeting key geographies and sectors:</p> <ul style="list-style-type: none"> <li>• Life Sciences</li> <li>• Information Technology</li> <li>• Cleantech</li> <li>• Photonics</li> </ul>	<p><b>Proactive media relations</b></p> <p>Consistently reach out to local, national business and industry-specific trade media with positive stories about the Ann Arbor area and our successful start-up companies and programs</p> <p><b>Incoming mission trips/familiarization tours</b></p> <p>Support Business Accelerator FAM tours for key investors and start-up executive talent in the City of Ann Arbor</p> <p><b>SPARK Events Promotion</b></p> <ul style="list-style-type: none"> <li>• Community calendar, website posting and weekly update e-mail newsletter</li> <li>• Promotional support of entrepreneurial-focused events with varying outcomes and purposes; networking, training, educational and talent placement</li> <li>• Promotion of area entrepreneurial events and programs</li> <li>• Online simulcast of select programs</li> </ul> <p><b>Collateral Materials</b></p> <ul style="list-style-type: none"> <li>• Update existing materials including entrepreneur education programs, Entrepreneur Resource Guide, regional brochure and SPARK Central incubator brochure</li> <li>• Start-up event and talent materials</li> </ul>

## Anticipated Outcomes

- Maintain the current pipeline level of BA clients
- Increase the pipeline of Boot Camp applicants from 50 to 60
- Garner 25-35 media placements which feature Business Accelerator/client success stories, programs and events
- SPARK Central incubator at an average of 75% capacity

**Budget**

The following budget is representative of the expected spend and timing on outside services for marketing and PR for the LDFA contract '09-'10. The total budget is \$65,000 for marketing and PR. The events and sponsorship budget is \$40,000 total.

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Marketing & Advertising	3,750	3,750	3,750	3,750
Website/SEO/AdWords and Event Calendar Expenses	9,250	9,250	9,250	9,250
Public Relations	3,250	3,250	3,250	3,250
Events and Sponsorships	10,000	10,000	10,000	10,000
<b>Totals</b>	<b>26,250</b>	<b>26,250</b>	<b>26,250</b>	<b>26,250</b>



**MINUTES – REGULAR BOARD MEETING  
September 22, 2009**

**Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority**

**SPARK Central Incubator  
330 E. Liberty Street, Ann Arbor, MI 48104**

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**Members Present:** Richard Beedon, Richard King, Lisa Kurek, Michael Korybalski, Mark Maynard, Stephen Rapundalo, Skip Simms-Accelerator Ex-officio

**Members Excused:** Theresa Carroll, Tom Crawford-Ex-officio, Darryl Daniels, Rob Risser, Roselyn Zator-MEDC Ex-officio

**Others Present:** Ken Bogan-City of Ann Arbor-Finance, Amy Cell-SPARK, Greg Fronizer-SPARK, Kurt Riegger-SPARK, Ned Staebler-MEDC

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**CALL TO ORDER:**

Rapundalo called the meeting to order at 8:19am. A quorum was present.

**APPROVAL OF THE AGENDA:**

Korybalski moved, seconded by Maynard, to approve the Agenda for this meeting in the form presented at this meeting. Motion approved unanimously.

**MOTIONS & RESOLUTIONS:**

**Minutes of the July 28, 2009 Regular Board Meeting:**

Korybalski moved, seconded by Beedon, to approve the Minutes of the July 28, 2009 regular board meeting in the form presented at this meeting. Motion approved unanimously.

**LDFA CHAIR'S REPORT:**

Rapundalo had nothing to report.

**REPORTS FROM SERVICE PROVIDERS:**

**Ann Arbor SPARK Business Accelerator Status Report:**

Simms provided a verbal report of SPARK activities so far for the year, and indicated a quarterly report would be provided at quarter end. The Business Accelerator has seen a 50% volume increase, and SPARK is planning to bring a budget increase request to the next meeting.

**Reports from Committees:**

**1. Cantillon:**

A proposal was made to amend the expense budget and contract to move \$20,000 from Cantillon to Phase III. King moved, seconded by Maynard. After discussion the motion passed unanimously on a voice vote.

**2. Ann Arbor Angels:**

An Attachment of the LDFA/SPARK agreement section 1.3 was presented. A motion to approve the attachment was made by Korybalski and seconded by Maynard. After discussion and certain changes to the wording of the attachment were agreed upon, the motion passed unanimously on a voice vote.

**MOTION TO ADJOURN:**

Members Maynard and Beedon excused themselves from the meeting at 9:08 am. As a quorum was no longer present, the meeting was official adjourned.

Respectfully Submitted,

Ken Bogan, Recording Secretary for Tom Crawford

ANN ARBOR/YPSILANTI SMARTZONE  
LDFA  
CANTILLON MENTOR SUPPORT  
September 22, 2009

Attachment A of the LDFA/SPARK agreement section 1.6.1

Cantillon Entrepreneurial Education Series

Need

Cantillon learning units can be self taught. However, to maximize the learning experience the program was designed to offer persons taking these lessons a consultant to validate their understanding of the lessons, provide feedback on the assignments performed and recommend next steps in their business development.

The mentoring/consulting provided recently has been paid for through Phase III services. The use of Cantillon is usually not a milestone Phase III services are intended to support. It is usually an educational tool recommended entrepreneurs take to better prepare their business for additional support or service, sometimes for a Phase III engagement but often for other services or educational programs available in the community.

Since the Phase III budget is being challenged with demand from entrepreneurs further along in their business development, the need to not use Phase III dollars to pay for this mentoring is apparent.

Recommended Amendment to Contract

It is proposed a subsection to section 1.6.1 be added as subsection (iv) that would read:

Contractor may pay up to \$1,000 per entrepreneur business in consulting support and mentoring. Furthermore Contractor shall be reimbursed to train a reasonable group of consultants to provide this service at a total training cost not to exceed \$1,000. Total budget for the training and consulting services for the contract period shall not exceed \$20,000.



ANN ARBOR/YPSILANTI SMARTZONE  
LDFA  
ANGEL INVESTMENT GROUP SUPPORT  
September 22, 2009

Attachment A of the LDFA/SPARK agreement section 1.3

Angel Investment Group Access - Contractor will continue work with an "angel" group to build a robust angel network of investors interested in Business Accelerator clients. Activities will be focused on screening of investment opportunities, early due diligence, facilitate connections between entrepreneurs and investors, organize meetings and build membership. No funds will be used for investment or in support of investor expenses. The total amount of reimbursement per year shall not exceed \$25,000, paid in equal quarterly payments of \$6,250.

Need

A. Companies supported by Ann Arbor Spark Phase III engagements and the LDFA micro-loan recipients are in need of next stage services to provide them with increased access to potential private equity investors. Additionally, other early stage high-growth companies in Ann Arbor need access to potential private equity investors.

B. Individuals which qualify as potential investors, as defined under Regulation D of the Securities Act of 1933, for Ann Arbor based early stage growth companies are not investing at a level which is consistent with Ann Arbor's position as a national leader in research dollar expenditures, located in the center of Michigan's venture capital community, or Michigan's top ten ranking in the number of resident millionaires. In order to support the growth of companies identified in (A) these 'angel' investors need to be identified, encouraged, educated and provided with an opportunity to more actively participate in this unique type of investment process.

Efforts are required to bridge the gap between early stage growth companies in Ann Arbor and "accredited investors" potentially interested in making private investments in these companies. The emergence of local angel groups has occurred over the past decade to address this need on a community by community basis across the country. The Ann Arbor Angels was founded in 2004 to address this need in Ann Arbor. Although considered to be the most successful angel group to date in Ann Arbor, the group has not achieved a self-sustaining operating model.

Work Plan

Ann Arbor SPARK will identify and contract with individuals with the appropriate background to perform the following duties under third party contracts:

- Review company applications submitted to the Ann Arbor Angels through the organization's online application process, including those submitted through Ann Arbor Spark.
- Pre-screen Ann Arbor company requests for funding from both Business Accelerator clients and other Ann Arbor companies.

- Work with applicant companies to identify potential angel investors within the Ann Arbor Angels' network to champion the company's request for equity funding.
- Position the company through angel networks introductions for due diligence discussions with potential angel investors.
- Liaise with the angels' investor networks to position the company for presentation at one of the organization's board room investor presentation meetings.
- Retain, recruit, educate and engage angel investors in order to support the activities of those individuals engaged in the above activities and to achieve the milestones below.

### Milestones

- Create a Membership Team of not less than two individuals to work on a contract basis to retain, identify, recruit and educate angel investors.
- Engagement of individuals to work directly with potential angel investors to educate and increase their participation in angel investing.
- Planning of at least four board room investor presentation meeting.
- Schedule at least two investor presentation meetings during the term of this contract.

### Uses of funds specifically excluded under this plan:

- Direct equity investments in any company.
- Cover individual angel investor expenses.
- Direct support of expenses of an angel network organization



**MINUTES – REGULAR BOARD MEETING  
October 27, 2009**

**Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority**

**SPARK Central Incubator  
330 E. Liberty Street, Ann Arbor, MI 48104**

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**Members Present:** Richard Beedon, Michael Korybalski, Mark Maynard, Stephen Rapundalo, Phil Tepley, Skip Simms-Accelerator Ex-officio, Tom Crawford-Ex-officio, Ned Staebler-MEDC-Ex-officio

**Members Excused:** Theresa Carroll, Darryl Daniels, Lisa Kurek

**Others Present:** Ken Bogan-City of Ann Arbor-Finance, Amy Cell-SPARK, Greg Fronizer-SPARK, Kurt Riegger-SPARK, Elizabeth Parkinson-SPARK

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**CALL TO ORDER:**

Rapundalo called the meeting to order at 8:18am. A quorum was present.

**APPROVAL OF THE AGENDA:**

Rapundalo moved, seconded by Maynard, to approve the Agenda for this meeting in the form presented at this meeting, with one addition. Item for appointment of Ned Staebler as the MEDC-Ex-officio position on the board. Motion approved unanimously.

**MOTIONS & RESOLUTIONS:**

**Minutes of the September 22, 2009 Regular Board Meeting:**

Korybalski moved, seconded by Maynard, to approve the Minutes of the September 22, 2009 regular board meeting in the form presented at this meeting. Motion approved unanimously.

**LDFA CHAIR'S REPORT:**

Rapundalo had nothing to report.

**REPORTS FROM SERVICE PROVIDERS:**

**Ann Arbor SPARK 1<sup>st</sup> Quarter Report:**

Simms provided the 1<sup>st</sup> quarter report of SPARK activities. Beedon moved, seconded by Korybalski to accept the report. Motion approved unanimously.

**LDFA TREASURER'S REPORT:**

Crawford presented the LDFA 1<sup>st</sup> Quarter Financial Report on behalf of Daniels, who was not in attendance. Beedon moved, seconded by Maynard to accept the report. Motion approved unanimously.

**OTHER BUSINESS:**

**a. LDFA budget increase for additional SPARK funding:**

Korybalski moved, seconded by Beedon, to increase the LDFA budget by \$205,000 for additional BA Phase I – III services with the intention of the LDFA to approve funding contingent on the continuation of projected activity, pending the approval of City Council. After discussion the motion passed unanimously on a voice vote.

**b. Cantillon:**

A proposal to amend the contract was discussed for SPARK to keep monies from Cantillon sales for the upkeep of Cantillon. The proposed contract amendment was tabled to until the next meeting.

**c. Appoint of Ned Staebler-MEDC-Ex-officio board member:**

Maynard moved, seconded by Beedon, to approve ex-officio position on the board. Motion approved unanimously.

**d. Unfinished Business – Acceptance of SPARK FY 2009 Annual Report:**

Tabled until the next meeting.

**MOTION TO ADJOURN:**

Member Beedon excused himself from the meeting at 10:10 am. As a quorum was no longer present, the meeting was official adjourned.

Respectfully Submitted,

Ken Bogan, Recording Secretary for Tom Crawford



**MINUTES – REGULAR BOARD MEETING  
January 26, 2010**

**Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority**

**SPARK Central Incubator  
330 E. Liberty Street, Ann Arbor, MI 48104**

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**Members Present:** Richard Beedon, Theresa Carroll, Darryl Daniels, Lisa Kurek, Mark Maynard, Stephen Rapundalo, Phil Tepley, Tom Crawford-Ex-officio, Skip Simms-Accelerator Ex-officio

**Members Excused:** Michael Korybalski, Ned Staebler-MEDC-Ex-officio

**Others Present:** Ken Bogan-City of Ann Arbor-Finance, Amy Cell-SPARK, Greg Fronizer-SPARK, Elizabeth Parkinson-SPARK, Kurt Riegger-SPARK

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**CALL TO ORDER:**

Rapundalo called the meeting to order at 8:15am. A quorum was present.

**APPROVAL OF THE AGENDA:**

Rapundalo moved, seconded by Carroll, to approve the Agenda for this meeting in the form presented at this meeting. Motion approved unanimously.

**MOTIONS & RESOLUTIONS:**

**Minutes of the October 27, 2009 Regular Board Meeting:**

Carroll moved, seconded by Daniels, to approve the Minutes of the October 27, 2009 regular board meeting in the form presented at this meeting, with one change. The minutes indicated board member Risser as excused. Risser's term is expired. Therefore, the notation of Risser being excused is removed. Motion approved unanimously.

**LDFA CHAIR'S REPORT:**

Rapundalo stated the LDFA should make a report of LDFA activities to Council. SPARK employees will make a presentation to the LDFA Board at the March meeting, with the Board planning to present to Council in April.

**REPORTS FROM SERVICE PROVIDERS:**

**Acceptance of Ann Arbor SPARK 2nd Quarter Report:**

Simms provided the 2nd quarter report of SPARK activities.

**LDFA TREASURER'S REPORT:**

Daniels presented the LDFA 2nd Quarter Financial Report. Daniels indicated the budget committee would provide a recommendation on the budget at the March Board meeting. Kurek moved, seconded by Maynard to accept the report. Motion approved unanimously.

**OTHER BUSINESS:**

**a. Cantillon:**

The Board discussion on Cantillon activities was led by Board member Maynard.

**b. Unfinished Business – Acceptance of SPARK FY 2009 Annual Report:**

Report was provided by Simms. Maynard suggested having SPARK clients meet with the Board to provide feedback on the quality of SPARK services. To facilitate those discussions the March 16, 2010 meeting will be moved from 8:15am – 10:15am to 3:00pm – 5:00pm.

**MOTION TO ADJOURN:**

Maynard moved, seconded by Kurek, to adjourn the meeting at 9:49 am. Motion approved unanimously.

Respectfully Submitted,

Ken Bogan, Recording Secretary for Tom Crawford



**MINUTES – REGULAR BOARD MEETING  
March 16, 2010**

**Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority**

**SPARK Central Incubator  
330 E. Liberty Street, Ann Arbor, MI 48104**

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**Members Present:** Richard Beedon, Theresa Carroll, Darryl Daniels, Lisa Kurek, Mark Maynard, Stephen Rapundalo, Phil Tepley, Tom Crawford-Ex-officio, Skip Simms-Accelerator Ex-officio

**Members Excused:** Michael Korybalski, Ned Staebler-MEDC-Ex-officio

**Others Present:** Ken Bogan-City of Ann Arbor-Finance, Amy Cell-SPARK, Greg Fronizer-SPARK, Elizabeth Parkinson-SPARK, Kurt Riegger-SPARK

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**CALL TO ORDER:**

Rapundalo called the meeting to order at 3:05 pm. A quorum was present.

**APPROVAL OF THE AGENDA:**

Rapundalo moved, seconded by Maynard, to approve the Agenda for this meeting in the form presented at this meeting, with one addition. A resolution in support of "Google Fiber for Communities" was added to Other Business. Motion approved unanimously.

**MOTIONS & RESOLUTIONS:**

**Minutes of the January 26, 2010 Regular Board Meeting:**

Daniels moved, seconded by Maynard, to approve the Minutes of the January 26, 2010 regular board meeting in the form presented at this meeting. Motion approved unanimously.

**LDFA CHAIR'S REPORT:**

Rapundalo had nothing to report.

**LDFA TREASURER'S REPORT:**

Daniels presented the Budget Committee's recommended FY 2011 budget. Crawford recommended changing the estimated tax revenues to \$1,400,000; and eliminating the incubator rent revenue, which will be shown as a credit to the incubator rent subsidy on future SPARK invoices. Daniels moved, seconded by Beedon to approve the budget as revised. Motion approved unanimously. A copy of the approved budget is attached.

**REPORTS FROM SERVICE PROVIDERS:**

Simms presented an update of SPARK activities.

**OTHER BUSINESS:**

**a. Cantillon:**

Nothing to report.

**b. Discussions with SPARK clients:**

Discussions were held following adjournment of the meeting.

**c. Resolution in support of the selection of the City of Ann Arbor as a "Google Fiber for Communities" trial location:**

Rapundalo presented the resolution and recommended some wording changes, and a pledge of \$100,000 in support, for the installation conduit. Crawford stated the City of Ann Arbor may support conduit installation totaling up to \$750,000 and would like the SmartZone LDFA Board to consider a pledge of \$250,000 to bring the total up to a possible \$1,000,000. Maynard moved, seconded by Daniels to approve the amendment. After discussion the Board approved the wording changes and the \$250,000 unanimously.

Maynard moved, seconded by Daniels to approve the amended resolution. The motion was approved unanimously. A copy of the resolution is attached.

**MOTION TO ADJOURN:**

Daniels moved, seconded by Maynard, to adjourn the meeting at 4:58 pm. Motion approved unanimously.

Respectfully Submitted,

Ken Bogan, Recording Secretary for Tom Crawford



## Ann Arbor/Ypsilanti SmartZone LDFA Recommended FY 2011 Budget

	Recommended	Final Approved
	FY 2011	FY 2011
<b>REVENUES</b>		
Tax Revenue	\$ 1,291,972	\$ 1,400,000
Incubator Rent Revenue	44,100	-
Miscellaneous Revenue	-	-
Investment Income	7,335	7,335
<b>Total Revenue</b>	<b>\$ 1,343,407</b>	<b>\$ 1,407,335</b>
<b>EXPENDITURES</b>		
<b><u>Business Accelerator Support Services</u></b>		
Business Accelerator Support	\$ (288,400)	\$ (288,400)
Phase II - Due Diligence	(24,000)	(24,000)
Phase III - Intensive Service	(400,000)	(400,000)
Sub-Total	(712,400)	(712,400)
<b>Micro Loan Program for Entrepreneurs</b>	(275,000)	(275,000)
<b>Angel Investment Group Support</b>	(20,000)	(20,000)
<b>Business Networking Events</b>	(30,000)	(30,000)
<b><u>Entrepreneur Education</u></b>		
Education Classes	(10,000)	(10,000)
Bootcamp	(56,000)	(56,000)
Sub-Total	(66,000)	(66,000)
<b>Cantillon Web Based Education</b>	(5,000)	(5,000)
<b>SPARK Central Incubator Operating Exp</b>	(204,100)	(160,000)
<b>Marketing</b>	(65,000)	(65,000)
<b>Indirect Services</b>		
SPARK Accounting	(46,350)	(46,350)
Legal & Admin Support	(65,000)	(65,000)
LDFA Staff	-	-
Sub-Total	(111,350)	(111,350)
<b>Total Operating Expenditures</b>	<b>\$ (1,488,850)</b>	<b>\$ (1,444,750)</b>
<b>Net Increase/(Decrease)</b>	<b>\$ (145,443)</b>	<b>\$ (37,415)</b>
<b>RESERVES</b>		
June 2009 Fund Balance	\$ 468,240	\$ -
FY 2010 Projected Surplus/(Deficit)	\$ (112,363)	\$ -
FYE 2010 Projected Fund Balance	\$ 355,877	\$ -
FY 2011 Projected Surplus	\$ (145,443)	\$ (37,415)
FYE 2011 Projected Fund Balance	\$ 210,434	\$ (37,415)

**RESOLUTION IN SUPPORT OF THE SELECTION OF THE CITY OF  
ANN ARBOR AS A "GOOGLE FIBER FOR COMMUNITIES" TRIAL  
LOCATION**

WHEREAS, Google Inc. is planning to build and provide ultra-high speed broadband networks in one or more communities in the United States, which networks would consist of 1 Gbps, fiber-to-the-home ("FTTH") connections and would provide Internet service to residents at a competitive price;

WHEREAS, One of Google's stated criteria for selection is a community which has the resources and trained work force to create new applications which can utilize the higher bandwidth;

WHEREAS, The Ann Arbor/Ypsilanti SmartZone was established, in response to the collaborative efforts of the cities of Ann Arbor and Ypsilanti, and a variety of partners, including the Washtenaw Development Council, University of Michigan, Eastern Michigan University, Ann Arbor and Ypsilanti Downtown Development Authorities, Small Business Development Center and Ann Arbor IT Zone, to enhance existing efforts in high technology business formation and attraction and to foster the development of high technology enterprises in the designated SmartZone;

WHEREAS, The Tax Increment Financing (TIF) Plan funding the SmartZone identified investment in the installation or expansion of public-owned and maintained conduit for telecommunications purposes as one of several approved uses of funds;

WHEREAS, The City of Ann Arbor in partnership with the University of Michigan have announced their intent to respond to the "Google Fiber for Communities" Request For Information (RFI) issued by Google, Inc.;

RESOLVED, That the LDFA Board as the governing body of the Ann Arbor/Ypsilanti Smartzone enthusiastically supports the application of the City of Ann Arbor to be selected as a "Google Fiber for Communities" Trial Location;

RESOLVED, That if so selected, the LDFA Board wishes to state its continued interest and support in partnering with the City of Ann Arbor to encourage telecommunication technologies and TIF eligible projects in the designated Smartzone in accordance with PA 281 of 1986.

RESOLVED, that as an expression of support and encouragement for Google to select Ann Arbor for its ultra-fast fiber installation, the LDFA Board will commit \$250,000 towards TIF eligible projects including, but not limited to, technology infrastructure improvements such as installing public conduit.

Sponsored by: Stephen Rapundalo, Chair

Date: March 16, 2010



**MINUTES – REGULAR BOARD MEETING  
April 27, 2010**

**Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority**

**SPARK Central Incubator  
330 E. Liberty Street, Ann Arbor, MI 48104**

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**Members Present:** Richard Beedon, Theresa Carroll, Michael Korybalski, Mark Maynard, Stephen Rapundalo, Phil Tepley, Skip Simms-Accelerator Ex-officio

**Members Excused:** Lisa Kurek, Darryl Daniels, Tom Crawford-Ex-officio, Ned Staebler-MEDC-Ex-officio

**Others Present:** Ken Bogan-City of Ann Arbor-Finance, Amy Cell-SPARK, Greg Fronizer-SPARK, Elizabeth Parkinson-SPARK

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**CALL TO ORDER:**

Rapundalo called the meeting to order at 8:15 am. A quorum was present.

**APPROVAL OF THE AGENDA:**

Korybalski moved, seconded by Tepley, to approve the Agenda for this meeting in the form presented at this meeting. Motion approved unanimously.

**MOTIONS & RESOLUTIONS:**

**Minutes of the March 16, 2010 Regular Board Meeting:**

Carroll moved, seconded by Beedon, to approve the Minutes of the March 16, 2010 regular board meeting in the form presented at this meeting. Motion approved unanimously.

**LDFA CHAIR'S REPORT:**

Rapundalo reported that the annual LDFA report, along with the SPARK annual report was delivered to City Council last week, on Monday, April 19, 2010.

**LDFA TREASURER'S REPORT:**

Daniels was absent, so the Treasurer's 3<sup>rd</sup> quarter report was delivered by Ken Bogan.

**REPORTS FROM SERVICE PROVIDERS:**

Simms presented the SPARK 3<sup>rd</sup> quarter report. Carroll moved, seconded by Korybalski to accept the report. Motion approved unanimously.

D R A F T

**OTHER BUSINESS:**

- A request was made to check on the term expiration dates.
- Carroll provided a contract committee update
- Simms provided a metrics committee update

**MOTION TO ADJOURN:**

Beedon moved, seconded by Maynard, to adjourn the meeting at 9:20 am. Motion approved unanimously.

Respectfully Submitted,

Ken Bogan, Recording Secretary for Tom Crawford



**MINUTES – REGULAR BOARD MEETING  
June 15, 2010**

**Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority**

**SPARK Central Incubator  
330 E. Liberty Street, Ann Arbor, MI 48104**

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**Members Present:** Richard Beedon, Theresa Carroll, Michael Korybalski, Mark Maynard, Stephen Rapundalo, Phil Tepley, Lisa Kurek, Darryl Daniels, Skip Simms-Accelerator Ex-officio, Tom Crawford – Ex-officio

**Members Excused:** Ned Staebler-MEDC-Ex-officio

**Others Present:** Greg Fronizer-SPARK, Elizabeth Parkinson-SPARK

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**CALL TO ORDER:**

Rapundalo called the meeting to order at 8:15 am. A quorum was present.

**APPROVAL OF THE AGENDA:**

Korybalski moved, seconded by Beedon, to approve the Agenda for this meeting in the form presented at this meeting. Motion approved unanimously.

**MOTIONS & RESOLUTIONS:**

**Minutes of the April 27, 2010 Regular Board Meeting:**

Korybalski moved, seconded by Beedon, to approve the Minutes of the April 27, 2010 regular board meeting in the form presented at this meeting. Motion approved unanimously.

**LDFA CHAIR'S REPORT:**

None.

**LDFA TREASURER'S REPORT:**

None.

**REPORTS FROM SERVICE PROVIDERS:**

Parkinson presented the service provider report (see attached). Kurek moved, seconded by Daniels to accept the report. Motion approved unanimously. The Board discussed the report and requested it be brought back at the next meeting to allow board members additional time to consider objectives.

**OTHER BUSINESS:**

- Motion to approve FY 2011 meeting schedule. Made by Korybalski and seconded by Daniels. Motion approved unanimously.
- Motion to approve a transfer of \$10,000 expenditure budget in FY 2010 from Cantillon to SPARK accounting for the purpose paying for administrative expenses related to the Microloan program. Made by Daniels and seconded by Kurek. Motion passed unanimously. Rapundalo requested an FY 2011 of the same nature be added to the next meeting agenda.
- Board discussed Article IV of the bylaws related to board member terms. Rapundalo requested suggestions for potential future board members be submitted to him as the chair.

**MOTION TO ADJOURN:**

Beedon moved, seconded by Maynard, to adjourn the meeting at 10:00 am. Motion approved unanimously.

Respectfully Submitted,

Tom Crawford, Recording Secretary