

BY-LAWS
OF
THE DOWNTOWN DEVELOPMENT AUTHORITY

(A Public Authority and Governmental Subdivision formed pursuant to Act 197 of the Public Acts of 1975, as amended)

ARTICLE I

ORGANIZATION NAME

The Name of this Organization is the Laingsburg Downtown Development Authority (established and provided for by an ordinance of the City of Laingsburg as on file with the Michigan Secretary of State).

ARTICLE II

PUBLIC AUTHORITY

The Authority is established pursuant to Act 197, Public Acts of Michigan, 1975 as amended. Any net earnings of the Authority beyond that necessary for the retirement of indebtedness or to implement the public purposes or program of the City of Laingsburg may not inure to the benefit of a person other than the City of Laingsburg and, upon dissolution of the Authority shall belong to the City. Upon dissolution of the Authority title of all property owned by the Authority, subject to existing rights in other parties, shall vest in the City of Laingsburg.

ARTICLE III

PURPOSE

The purpose for which the Authority is created is to correct and prevent urban deterioration and encourage economic development and activity and to encourage neighborhood revitalization and historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to provide for the creation and implementation of development plans; to provide for the creation of a board to govern the Authority and to prescribe its powers and duties; to permit the issuance of bonds and other evidences of indebtedness by the Authority; and to permit the use of tax increment financing.

ARTICLE IV

GENERAL

- (a) The Authority shall be a public body corporate.
- (b) The Authority may sue and be sued in any court of this state.
- (c) The Authority possesses all the powers necessary to carry out the purposes of its incorporation.
- (d) The powers granted to the Authority may be exercised notwithstanding that bonds are not issued by the Authority.
- (e) The Authority shall be under the supervision and control of a board chosen by the governing body.

As used in these by-laws:

- (1) "Authority" means a Downtown Development Authority.
- (2) "Board" means the governing body of an Authority.
- (3) "Development plan" means that information and those requirements for development.
- (4) "Governing body" means the elected body of a municipality having legislative powers.
- (5) "Tax increment financing plan" means that information and those requirements necessary for tax increment financing to occur.

ARTICLE V

POWERS AND DUTIES OF THE BOARD

Section 5.0 Activities. For the purpose of fulfilling the objectives of the authority, the board may:

- (1) Prepare an analysis of economic changes taking place in the downtown district.
- (2) Study and analyze the impact of metropolitan growth upon the downtown district.

(3) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the revitalization and growth of the downtown district.

(4) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the decline of property values and to promote the growth of the downtown district, and take such steps as may be necessary to implement the plans to the fullest extent possible.

(5) Implement any plan of development in a downtown district necessary to achieve the purposes of the formation of this Authority, in accordance with the powers of the Authority as granted by Act 197.

(6) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(7) Acquire by purchase or otherwise, on terms and conditions and in a manner the Authority considers proper, own, convey, demolish, relocate, rehabilitate, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests therein, which the Authority determines is reasonably necessary to achieve its purposes and to grant or acquire licenses, easements and options with respect thereto.

(8) Improve land, prepare sites for buildings, including the demolition of existing structures and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including any type of housing, and any necessary or desirable appurtenances thereto, within the development area for the use, in whole or in part, of any public private person or corporation, or a combination thereof.

(9) Fix, charge, and collect fees, rents and charges for the use of any building or property or any part of a building or property under its control, or a facility in the building or on the property, and pledge the fees, rents and charges for the payment of revenue bonds issued by the Authority.

(10) Lease any building or property or part of a building or property under its control.

(11) Accept grants and donations of property, labor, or other things of value from a public or private source.

(12) Acquire and construct public facilities.

(13) Incur costs in connection with the performance of its authorized functions, including but not limited to, administrative costs, and architects, engineers, legal and accounting fees.

(14) Accept land which was taken by the municipality under Act No. 149 of the Public Acts of 1911, being section 213.21 to 213.41 of the Michigan Compiled Laws, for the use as authorized in the development program. The taking, transfer and use shall be considered necessary for public purposes and for the benefit of the public.

(15) The board may employ and fix the compensation of an executive director subject to the approval of the governing body of the municipality.

(16) The board may employ and fix the compensation of a treasurer, who shall keep the financial records of the Authority and who, together with another officer shall approve all vouchers for the expenditure of funds of the Authority.

(17) The board may employ and fix the compensation of a secretary, who shall maintain custody of the official seal and or records, books, documents or other papers not required to be maintained by the treasurer.

(18) The board may retain legal counsel to advise the board in proper performance of its duties.

(19) The board may employ other personnel deemed necessary by the board.

Section 5.1 Tax Increment Plan. When the Authority determines that it is necessary for the achievement of its purpose, the Authority shall prepare and submit a tax increment financing plan to the governing body.

Section 5.2 Development Plan. When a board decides to finance a project in a development area, it shall prepare and adopt a development plan.

ARTICLE VI

BOARD OF DIRECTORS

Section 6.0 Qualifications. A member of the Authority shall have on of the following qualifications: 1) resident of Municipality, 2) registered voter in the Municipality and 3) have an interest in property in the DDA District. With the exception of the Chief Executive Officer, a member of the Authority may not simultaneously serve as an elected member of the municipality wherein the district is located, or a member of the County Board of Commissioners of the county wherein the district is located, or a member of the school board of a school district which extends into the development area. A majority of the Board shall qualify under Item 3 above as having an interest in property in the DDA District.

Section 6.1 General Powers. The business and affairs of the Authority shall be managed by its board of directors except as otherwise provided by statute or by these bylaws.

Section 6.2 Appointment. The Authority shall be under the supervision and control of a board designated by the governing body, as provided for in Act 197. It shall consist of the Chief Executive Officer of the municipality and not less than 8 or more than 12 members as determined by the governing body. Members shall be appointed by the chief executive officer, at any time during the year, subject to approval by the governing body of the municipality. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only.

Section 6.3 Term of Office. A member shall hold office until the member's successor is appointed. Of the members appointed, an equal number, as near as practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. Thereafter, each member shall serve for a term of 4 years. Term of office shall begin on the first day of the fiscal year in the year of the appointment as provided in Section 6.2 above.

Section 6.4 Oath of Office. Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

Section 6.5 Compensation. Board members shall serve without compensation but be reimbursed their actual expenses incurred in the performance of their official duties. However, nothing herein contained shall be construed to preclude any board member from serving the Authority in any other capacity and receiving compensation, therefore, except in the capacity of executive direct of the authority.

Section 6.6 Proxy. If a member of the board is unable to attend a meeting at which a vote on a specific issue is to be rendered, he/she may render a vote by proxy in order to further the progress of the business before the board. Said vote by proxy shall be written in such manner as to clearly state the question as it will be presented to the other members of the board, and the vote of the absent member in the same manner (yea, any or abstained) as would be voiced by the members present at the meeting. The vote must contain the signature of the absent member. The proxy vote shall be submitted in a sealed envelope to any office of the board. The sealed envelope shall be opened by the chair of the meeting and recorded in the same manner when the vote is taken on the particular issue addressed on the outside of the envelope. The secretary shall enter the vote of the absent member into the minutes and clearly designate said vote as being by proxy.

Section 6.7 Removal. Any member of the board of directors may be removed from office for cause by majority vote of the Governing Body of the municipality.

Section 6.8 Conflict of Interest. A director who has a direct interest in any matter before the Authority shall disclose his/her interest prior to the Authority taking any action with respect to the matter, which disclosure shall become a part of record of the Authority's official proceedings, and the interested director shall further refrain from participation in the Authority's proceedings relatin to the matter.

ARTICLE VII

OFFICERS

Section 7.0 Officers. The officers of the Authority shall consist of a Chairperson, Secretary, Treasurer and, if desired, one or more vice-chairpersons and such other officers as may from time to time be determined by the board of directors, each of whom shall be elected from among the Board of Directors by the affirmative vote of a quorum. Any two offices other than chairperson, secretary, and treasurer may be held by the same person but an officer shall not execute, acknowledge or verify an

instrument in more than one capacity if the instrument is required by law or the by-laws to be executed, acknowledged or verified by two or more officers.

Section 7.1 Election and Term of Office. The officers of the Authority shall be elected annually by the board of directors at the first meeting of each new fiscal year. If the election of officers shall not be held or made at such meeting, such election shall be held or made as soon thereafter as is convenient. Each officer so elected shall hold office for the term of which he/she is elected and until his/her successor is elected and qualified, or until his/her resignation or removal.

Section 7.2 Removal. Any officer elected by the board of directors may be removed by the board of directors with or without cause whenever in its judgment the best interests of the Authority would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 7.3 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled at any meeting of the board of directors for the unexpired portion of the term of such office.

Section 7.4 Chairperson. The chairperson shall be the chief executive officer of the Authority, but he/she may from time to time delegate all or part of his/her duties to an executive vice-chairperson, if one is elected, or to any vice-chairperson. He/She shall preside at all meetings of the directors as chairperson of the board. He/she shall have general and active management of the business of the Authority, and shall see that all orders and resolutions of the board are carried into effect. He/She shall execute all bonds, mortgages, conveyances, and other instruments entered into pursuant to the powers of the Authority as set forth in these by-laws with the approval and authority of the board of directors. He/She shall be ex-officio member of all standing committees.

Section 7.5 Executive Director of the Board. An executive director may be employed and shall serve at the pleasure of the board in accordance with Section 5(1) of Act 197, shall attend all meetings of the board of directors, and shall have and exercise such other authority as specifically granted to him/her from time to time by an ordinance of the board of directors. If an executive director is employed he/shall post bond in the penal sum of \$2,000.00 as required by said Section of said statutes. An executive director may be removed from office for cause by majority vote of the Governing Body of the municipality.

Section 7.6 Vice-Chairperson. The vice-chairperson shall perform such duties as are delegated to him/her by the chairperson, and shall, in the absence or in the event of the disability of the chairperson, and shall perform such other duties as the board of directors shall prescribe.

Section 7.7 Secretary. The secretary shall attend all meetings of the board and record all votes and the minutes of all proceedings in a book to be kept for that purpose; and shall perform like duties for the standing committees when required. He/She shall give, or cause to be given, notice of all meetings of the board of directors, and shall perform such other duties as prescribed by the board of directors under whose supervision he/she shall be. He/She shall keep in safe custody the seal of the Authority, and when authorized by the board, affix the same to any instrument requiring it, and when so affixed it shall be attested by his/her signature or by the signature of the treasurer. He/She shall be sworn to the faithful discharge of his/her duties. The assistant secretary, if one is elected, shall perform the duties and exercise the power of the secretary in his/her absence or in the event of his/her disability. The Board may contract the services of a suitable individual to assist in the duties and functions of the secretary of the Authority.

Section 7.8 Treasurer. The treasurer shall have the custody of the corporate funds and securities and shall keep or cause to be kept, full and accurate accounts of receipts and disbursements in books belonging to the Authority and shall deposit all moneys, and other valuable effects in the name and to the credit of the Authority in such depositories as may be designated by the board of directors. He/She shall disburse the funds of the Authority as may be ordered by the board, taking proper vouchers from such disbursement, and shall render to the chairperson and directors, at the regular meetings of the board, or whenever they may require an account of all his/her transactions as treasurer and of the financial condition of the Authority. He/She shall give the Authority a bond if required by the board of directors in a sum, and with one or more sureties satisfactory to the board, from the faithful performance of the duties of his/her office, and for the restoration to the Authority, in case of his/her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his/her possession or under his/her control belonging to the Authority. The assistant treasurer, if one is elected, shall perform the duties and exercise the power of the treasurer in his/her absence or in the event of his/her disability. The Board may contract the services of a suitable individual to assist in the duties and functions of the treasurer of the Authority.

Section 7.9 Delegation of Duties of Officers. In the absence of any officer of the Authority, or for any other reason that the board may deem sufficient, the board may delegate, from time to time and for such time as it may deem appropriate, the powers or duties, of any of them, of such officer to any other officer, or to any director, provided a majority of the board then in office concurs therein.

ARTICLE VIII MEETINGS

Section 8.0 Meetings. The meetings of the board of directors shall be public, and public notice of such meetings shall be given in accordance with Act 267, Public Acts of Michigan, 1976, as amended.

Section 8.1 Registered Office. The initial registered office of the Authority is the Laingsburg City Hall, 114 N. Woodhull, City of Laingsburg, Michigan.

Section 8.2 Principal Office. The authority shall have its principal office at the location of the Registered Office, and it may also maintain offices at such other place or places as the board of directors may designate.

Section 8.3 Special Meetings. Special meetings shall be called at the request of the chair, or at the written request (to the secretary) of the majority of the members of the board. Notice of special meetings shall be given by the secretary to the members of the board and to the public at least 18 hours prior to the time of the meeting and shall state the place, date, purpose and time of the meeting.

Section 8.4 Rules of Order. Parliamentary procedure in board meetings shall be governed by Robert's Rules of Order, except where state statute or local ordinance direct otherwise. The secretary shall prepare an agenda for each meeting and the order of business therein shall be as follows:

- (1) Meeting Called to Order by the Chair
- (2) Approval of the Minutes
- (3) Business Session
 - Unfinished business
 - Other communications
 - Reports
 - New business
 - Call to the public
 - Adjournment

Section 8.5 Notice to Directors. Notice of any meeting of the board of directors shall be given at least three (3) days prior thereto by written notice, delivered personally or mailed to each director at his/her business address, or home address. Mailed notice shall be deemed to be delivered when deposited in the United States mails in a sealed envelope so addressed, with postage thereon prepaid. Any director may waive notice of any meeting either before or after the meeting. The presence of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

Section 8.6 Quorum. A majority of the members of the board of directors constitute a quorum for the transaction of business at any meeting of the board of directors. The vote of the majority of members present at a meeting at which a quorum is present constitutes the action of the board of directors, unless the vote of a larger number is required by statutes or these by-laws.

Section 8.7 Public Comments. Comments on matters before the Board will be accepted from the public during those portions set aside for such purpose. Said comments will be accepted for a period not to exceed seven (7) minutes. Extension beyond the seven minute period will be allowed by general consent of the Board. The Chairperson has the right to interrupt any person or persons who are giving testimony that is considered to be slanderous or injurious to any member of the board. Formal presentations will be accepted upon the approval of the Chairperson and inclusion into the agenda for said meeting at which the presentation is to be made. All persons making formal presentations are required to submit sufficient written material so as to give Board Members an opportunity to familiarize themselves with the material in advance of the scheduled presentation.

Section 8.8 Committees. The board of directors may, by resolution adopted by a majority of the members, establish one or more committees, each committee to consist of one or more of the directors of the Authority. The Chairperson of the Board, with the advice and consent of a quorum at any meeting, shall appoint the members of each committee so established. Each member appointed to a committee shall serve until replaced by action of the Chairperson with the advice and consent of a quorum of the board.

ARTICLE IX

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 9.0 Contracts. The board of directors may authorize the chairperson or vice chairperson or if not available, another board member as designated by resolution to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

Section 9.1 Loans. No loan shall be contracted on behalf of the Authority and no evidence or indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

Section 9.2 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority shall be signed by the treasurer of the Authority and any other such board member as directed in these by-laws or as from time to time may be determined by resolution of the board of directors.

Section 9.3 Deposits. All funds of the Authority not otherwise employed shall be deposited to the credit of the Authority in such banks, trust companies or other depositories as the board of directors may select.

ARTICLE X

FISCAL YEAR

The fiscal year of the Authority shall begin on the 1st day of July in each year and end on the last day of June in each year.

ARTICLE XI

INDEMNIFICATION

Section 11.0 Indemnification, Judgment, Settlement, Etc. The Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he/she is or was a director or officer of the Authority and with respect to any criminal action or proceeding, had no reasonable cause to

believe his or her conduct was unlawful. The termination of the action, suit or proceeding by judgment, order settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he/she reasonably believed to be in or not opposed to the best interests of the Authority and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

Section 11.1 Reimbursement. To the extent that a director or officer of the Authority has been successful on the merits or otherwise in defense of any claim, issue, or matter therein, he/she shall be indemnified against expenses (including attorney's fees) actually and reasonable incurred by him/her in connection therewith.

Section 11.2 Advancement of Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding described in Section 11.0 may be paid by the Authority in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Section 11.1 upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the Authority.

Section 11.3 Limitations. The Authority shall make no provision to indemnify directors or officers in any action, suit or proceeding referred to in Section 11.0 which shall be in conflict with the provisions of this article.

Section 11.4 Insurance. The board of directors may, in the exercise of its discretion, from time to time authorize by resolution duly adopted, purchase and maintain insurance on behalf of any person who is or was a director or officer of the Authority, against any liability asserted against him/her and incurred by him/her in any such capacity or arising out of his/her status as such, whether or not the Authority would have power to indemnify him/her against such liability under Section 11.0 of this article.

Section 11.5 Merger and Reorganization. For the purposes of Section 11.0 - 11.4 of this article, references to the Authority include all constituent Authorities absorbed in a consolidation reorganization or merger and the resulting or surviving Authority, so that a person who is or was a director or officer of such constituent Authority shall stand in the same position under the provisions of this section with respect to the resulting or surviving Authority in the same capacity.

ARTICLE XII

FINANCIAL REPORTS AND AUDIT

Section 12.0 Annual Financial Report. The Authority shall submit annually at the July regular meeting of the governing body or as soon thereafter as practicable a report on the financial status and activities of the Authority. A minimum of two Board members shall be present at that meeting. The report shall be publicized in a newspaper of general circulation in the municipality and shall include:

- a) The amount and source of revenue in the account.
- b) The amount and purpose of expenditures from the account.
- c) The amount of principal and interest on any outstanding bonded indebtedness.
- d) The initial assessed value of the project area.
- e) The captured assessed value retained by the Authority.
- f) Any additional information the governing body considers necessary.

Section 12.1 Expense Report. Once each month the Authority shall prepare a report on all expenditures for the preceding month. This report shall be publicized in a newspaper of local circulation and shall include at a minimum the following:

- a) Debt service (principal and interest) on existing outstanding bond issues.
- b) Administrative costs.
- c) Fees paid to outside consultants such as legal council, architects, engineers, planners, and accountants.
- d) Cost of annual audit.
- e) Costs of implementing the Development Plan.

Section 12.2 Annual Budget. The Authority shall prepare and submit a budget for approval by the governing body at the same regular meeting required of other municipal departments of the governing body. The budget shall be for the operation of the Authority for the ensuing fiscal year and be prepared in the manner and contain the information required of other departments or similar entities of the municipality. Following the approval

of the budget by the governing body, the budget shall be adopted by the Board of the Authority.

Section 12.3 Audit. An independent audit of the Authority's financial records shall be conducted at the same time and in the same manner as that conducted for the municipality. The audit may be conducted separately or in combination with the municipal audit. If the audit is conducted in combination with that of the municipality, the governing body may assess a reasonable pro rata share against the funds of the Authority to cover the costs of handling and auditing. Accordingly, the Authority shall budget each year an amount necessary to cover such costs of the audit.

ARTICLE XIII

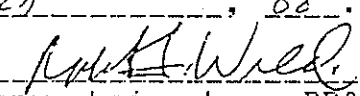
MISCELLANEOUS

Section 13.0 Seal. The board of directors may provide an official seal which, if authorized, shall have inscribed thereon the name of the Authority and the year 1987.

Section 13.1 Waiver of Notice. When the board of directors or a committee thereof must take action after notice to any person or after lapse of a prescribed period of time, the action may be taken without notice and without lapse of the period of time, if any any time before or after the action is completed the person entitled to notice or to participate in the action to be taken submits a signed waiver of such requirements.

Section 13.2 Amendments. These by-laws may be altered, amended or repealed by the affirmative vote of a majority of the board of directors at any regular or special meeting called for that purpose, subject to the approval of the City Council.

I HEREBY CERTIFY that the above by-laws were adopted the 7th day of April, 88, following approval by the Laingsburg City Council at a regular meeting held the _____ day of March, 88.



Secretary, Laingsburg DDA