

BY-LAWS
CITY OF STURGIS
BROWNFIELD REDEVELOPMENT AUTHORITY
(A MICHIGAN PUBLIC CORPORATION FORMED
PURSUANT TO ACT 381 OF THE PUBLIC ACTS OF 1996)

ARTICLE I

NAME AND REGISTERED OFFICE

SEC. 1. NAME. The name of this Corporation is the City of Sturgis Brownfield Redevelopment Authority.

SEC. 2. REGISTERED OFFICE. The initial registered office of this Corporation is 130 N. Nottawa Street, Sturgis, Michigan 49091 and the mailing address of the initial registered office of this Corporation is 130 N. Nottawa Street, Sturgis, Michigan 49091. The resident agent shall be the person who from time to time is designated by the Board of Directors.

SEC. 3. PRINCIPAL OFFICE. The Corporation shall have its principal office at 130 N. Nottawa Street, Sturgis, Michigan 49091, and may also maintain offices at such other place or places as the Board of Directors may from time to time designate.

ARTICLE II

PURPOSE

SEC. 1. PURPOSE. The Corporation is organized with reference to Public Act 381 of the Public Acts of 1996, and its purpose is to promote the revitalization of environmentally distressed areas in the City of Sturgis.

ARTICLE III

DIRECTORS

SEC. 1. DIRECTORS. The business and the affairs of the Corporation shall be managed by its Board of Directors, except as otherwise provided by statute the resolution of the Sturgis City Commission dated March 26, 1997 which created this Corporation or by these By-Laws.

SEC. 2. BOARD. The Board of Directors shall consist of the Board of Directors of the Economic Development Corporation of the City of Sturgis which was established under the Economic Development Corporations Act, being Act No. 338 of the Public Acts of 1974, as amended.

SEC. 3. COMPENSATION. Members of the Board of Directors shall serve without compensation, but shall be reimbursed for reasonable, actual and necessary expenses.

SEC. 4. OATH. Before assuming the duties of office, a member of the Board of Directors shall qualify by taking and subscribing to the oath of office provided in Section 1 of Article XI of the Michigan Constitution of 1963.

SEC. 5. REMOVAL. After notice and opportunity to be heard, a member of the Board of Directors may be removed from office (by a majority vote of the Sturgis City Commission) for neglect of duty, or misconduct, or malfeasance.

SEC. 6 CONFLICT OF INTEREST. A director who has a direct interest in any matter before the Corporation shall disclose his interest prior to the Corporation taking any action with respect to the matter, which disclosure shall become a part of the record of the Corporations official proceedings.

SEC. 7. MEETINGS. Meeting of the Board of Directors shall be held annually at the registered office of the Corporation, or such other place as may be determined by the Board of Directors, on the fourth Friday of March of each year (after the year 1997), not a legal holiday, and

if a legal holiday, then on the day following, for the purpose of electing officers and for the meeting.

Meetings of the Board of Directors may be called by or at the request of the chairperson or any two (2) directors. The meetings of the Board of Directors shall be open to the public, in accordance with the Open Meetings Act, being Act No. 267 of the Public Acts of 1976, and appropriate notice of such meetings shall be provided to the public.

SEC. 8. NOTICE. Notice of any meeting shall be given at least two (2) days previously thereto by written notice, delivered personally or mailed to each director at their business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. Attendance 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.

SEC. 9. QUORUM. A majority of the members of the Board of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the Board of Directors are present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. The vote of the majority of members present at a meeting at which a quorum is present constitutes the actions of the Board of Directors, unless the vote of a larger number is required by statute, or these By-laws. Amendment of these By-laws by the Board of Directors requires a vote of not less than a majority of the members of the Board of Directors then in office.

SEC. 10. PARTICIPATION BY COMMUNICATION EQUIPMENT. A member of the Board of Directors or of a committee designated by the Board may participate in a meeting by means of conference, telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this provision constitutes presence in person at the meeting.

SEC. 11 COMMITTEES. The Board of Directors may, by resolution passed by majority of the whole Board, designate one or more committees. Each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more of the directors as alternate members of the committee, who may replace an absent or disqualified member at a meeting of the committee. In the absence or disqualification of a member of a committee, members thereof present at a meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of such an absent or disqualified member. A committee, and each member thereof, shall serve at the pleasure of the Board. A committee so designated by the Board, to the extent provided by a resolution of the Board, may exercise all administrative but not discretionary powers and authorities of the Board and the management of the business and affairs of the Corporation, except such committee shall not have the power or authority to:

- a. recommend to members the dissolution of the Corporation or a revocation of dissolution;
- b. amend the By-laws of the Corporation, or
- c. fill vacancies in the Board.

SEC. 12. MANIFESTATION OF DESCENT. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall

be assumed to have assented to the action taken unless his descent shall be entered in the minutes of the meeting or unless he shall file his written descent, to such action, with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such descent by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to descent shall not apply to a director who voted in favor of such action.

ARTICLE IV

OFFICERS

SEC. 1 OFFICERS OF THE CORPORATION. The officers of the Corporation shall consist of a Chairperson, Vice-Chairperson, Secretary, Treasurer and such other officers as may from time to time be determined by the Board of Directors, each of whom shall be elected by the directors. Two or more offices may be held by the same person, but an officer shall not execute, acknowledge or verify an instrument in more than one (1) capacity if the instrument is required by law or these By-laws to be executed, acknowledged or verified by two (2) or more officers.

SEC. 2. ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be elected annually by the Board of Directors. 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 they are elected and until their successor is elected and qualified, or until their resignation or removal.

SEC. 3. REMOVAL. Any officer elected by the Board of Directors may be removed by the Board of Directors with or without cause whenever in its judgement the best interest of the Corporation would be served thereby.

SEC. 4. 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 un-expired

portion of the term of such office.

SEC. 5. CHAIRPERSON. The Chairperson shall be the chief executive officer of the Corporation, but he may from time to time delegate all or any part of his duties to the Vice-Chairperson. He shall preside at all meetings of the directors; and shall have general and active management of the business of the Corporation, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute all bonds, mortgages, conveyances and other instruments entered into pursuant to the powers of the Corporation with the approval and authority of the Board of Directors. He shall be ex-officio member of all standing committees.

SEC. 6. VICE-CHAIRPERSON. The Vice-Chairperson shall perform such duties as delegated to him by the Chairperson and he shall, in the absence or in the event or disability of the Chairperson, perform the duties and exercise the powers of the Chairperson, and shall perform such other duties as the Board of Directors shall prescribe.

SEC. 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 shall give, or cause to be given, notice of all meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors under whose supervision he shall be.

SEC. 8. TREASURER. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements and books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the chairperson and directors, at regular meetings of the

Board, or whenever he may require an account of all transactions performed as Treasurer and of the financial condition of the Corporation. He shall give the Corporation a bond if required by the Board of Directors, in a sum, and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office, and for the restoration to the Corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under their control belonging to the Corporation.

SEC. 9. DELEGATION OF DUTIES OF OFFICERS. In the absence of any officer of the Corporation, 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, or any of them, of such officers to any other officer or to any director, provided a majority of the Board then in office concurs therein.

SEC. 10. SALARIES. The officers of the Corporation shall serve without salary; provided, that nothing herein contained shall be construed to preclude any officer from serving the Corporation in any other capacity and receiving compensation thereof.

SEC. 11. OFFICER'S BOND. The Board of Directors may secure the fidelity of any or all of such officers by bond or otherwise.

ARTICLE V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SEC. 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority shall be confined to specific instances.

SEC. 2. LOANS. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by resolution of the Board of

Directors. Such authority shall be confined to specific instances.

SEC. 3. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences or indebtedness issued in the names of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SEC. 4. DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation and in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI

FISCAL YEAR

SEC. 1. FISCAL YEAR. The fiscal year of the Corporation shall begin on October 1st of each year and end on September 30th of the following year, or such other fiscal year as may be hereafter adopted by the Sturgis City Commission.

SEC. 2. BUDGET. The Corporation shall prepare and approve annually a budget for the operation of the Corporation for the ensuing fiscal year. The budget shall be prepared in the manner and shall contain the information required of all City of Sturgis municipal departments. Funds of the City of Sturgis shall not be included in the budget of the Corporation except those funds authorized by law or the Sturgis City Commission.

SEC. 3. FINANCIAL REPORT. The Corporation shall submit annually to the Sturgis City Commission and the State of Michigan Tax Commission a financial report on the status of activities of the Corporation. The report shall include all of the following:

- a. the amount and source of tax increment revenues received;
- b. the amount and purpose of expenditures of tax increment revenues;

- c. the amount of principal and interest on all outstanding indebtedness;
- d. the initial taxable value of all eligible property subject to any Brownfield Plan adopted by the Sturgis City Commission and implemented by the Corporation;
- e. the captured taxable value realized by the Corporation;
- f. information concerning any transfer of ownership of or interest in each eligible property within the Brownfield Redevelopment Zone as designated by the Sturgis City Commission;
- g. all additional information the Sturgis City Commission or State Tax Commission considers necessary.

ARTICLE VII

INDEMNIFICATION

SEC. 1. INDEMNIFICATION. Whenever any claim is made or any civil action is commenced against any officer, or employee of the Corporation for injuries to persons or property caused by the negligence of the officer or employee while in the course of his employment, acting within the scope of his authority, the Corporation may, but is not required, to pay for legal services and also for any judgement or compromise settlement of the claim, pursuant to Act 170 of the Public Acts of 1964, as amended.

SEC. 2. REIMBURSEMENT. Any indemnification under Section 1 shall be made by the Corporation only as authorized in a specific case upon the determination that indemnification of the employee or officer is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1. Such determination shall be made in either of the following ways:

1. By the Board of Directors by majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding.

2. If such quorum is not attainable, or, even if attainable, a quorum of disinterested directors so directs, supported by the recommendation of independent legal counsel and a written opinion.

SEC. 3. INSURANCE. The Board of Directors may, in the exercise of its discretion, from time to time, authorize by resolution that is duly adopted, purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, against any liability asserted against them and incurred by them in any such capacity arising out of their status as such, whether or not the Corporation would have power to indemnify them against such liability under Sections 1 and 2 of this Article.

ARTICLE VIII

MISCELLANEOUS

SEC. 1. WAIVER OF NOTICE. Subject to the Open Meetings Act, when the Board of Directors or any committee thereof may 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 at 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.

ARTICLE IX

DISSOLUTION

SEC. 1. DISSOLUTION. In the event the Corporation completes the purposes for which it was organized, the Corporation may be dissolved by resolution of the Sturgis City Commission. The property and assets of the Corporation remaining after the satisfaction of the obligations of the Corporation shall belong to the City of Sturgis or to any agency or municipality designated by resolution of the City of Sturgis.

ARTICLE X

AMENDMENTS

SEC. 1. AMENDMENTS. These by-laws may be altered or amended or appealed by the affirmative vote of a majority of the Board of Directors then in office at any regular or special meeting called for that purpose, provided, however, that the alterations amendments or appeals are authorized by the Sturgis City Commission and further approved as provided by law.

I hereby certify that the above by-laws were adopted the _____ day of _____, 1997, after approval by the Sturgis City Commission.

Secretary

APPROVED:

Chairperson

