

BY-LAWS OF
THE ECONOMIC DEVELOPMENT CORPORATION
OF THE PORTAGE ECONOMIC
DEVELOPMENT CORPORATION

ARTICLE I

Offices

Section 1. Registered Office. The Corporation shall have and continuously maintain in the State of Michigan a registered office, and a registered agent whose office is identical to such registered office, as required by the statutes of the State of Michigan. The registered office may be, but need not be, identical with the principal office in the State of Michigan, and the address of the registered office and the registered agent may be changed from time to time by the Board of Directors. Unless and until so changed, the registered office of the Portage Economic Development Corporation is 7800 Shaver Road, Portage, Michigan 49081.

Section 2. Other Offices. The Corporation may have such other offices as the Board of Directors may determine, or the affairs of the Corporation may require from time to time.

ARTICLE II

PURPOSES

Section 1. Statement of Purposes. The purpose or purposes for which the Corporation is organized are as follows: To act as the Portage Economic Development Corporation in accordance with Act 338 of the Public Acts of 1974, as such statute may from time to time be amended; including particularly, to alleviate and prevent conditions of unemployment, to assist and retain local industries and commercial enterprises to strengthen and revitalize the economy of the State of Michigan and, particularly, the City of Portage; to provide the means and methods for the encouragement and assistance of industrial and commercial enterprises in locating and expanding in the State of Michigan and, particularly, in the City of Portage; to encourage the relocation and expansion of commercial enterprises to more conveniently provide needed services and facilities of the commercial enterprises to the City of Portage and its residents. In furtherance of these purposes, the Corporation shall have all of the powers which now are or hereafter may be conferred by law on corporations organized, under Act 327, as amended; and particularly, the powers granted by Act 338, Public Acts of 1974, and especially, Section 7 thereof, to-wit:

- a. Construct, acquire by gift or purchase, reconstruct, improve, maintain or repair projects and acquire the necessary lands for the site thereof.
- b. Acquire by gift or purchase the necessary machinery, furnishings and equipment for a project.
- c. Borrow money and issue its bonds or notes to finance part or all of the cost of the acquisition, purchase, construction, reconstruction or improvement of a project or any part thereof, the cost of the acquisition and improvement of the necessary sites therefore, the acquisition of machinery, furnishings, and equipment therefore, and the costs necessary or incidental to the borrowing of money and issuing of bonds or notes for such purpose.
- d. Enter into leases, lease purchase agreements or installment sales contracts with any person, firm or corporation for the use or sale of the project.
- e. Mortgage the project in favor of any lender of money to the Corporation.
- f. Sell and convey the project or any part thereof for a price and at a time as the Corporation determines.

Subject to any amendments to said statute either increasing or diminishing the powers of economic development corporations formed thereunder.

ARTICLE III

BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Number, Tenure and Qualifications. The Board of Directors of the Corporation shall consist of nine (9) persons, not more than two (2) of whom shall be an officer or employee of the City of Portage. The Directors shall be appointed for terms of six (6) years, except that of the Directors first appointed; four (4) shall be appointed for six (6) years, one for five (5) years, one for four (4) years, one for three (3) years, one for two (2) years and one for one (1) year.

Section 3. Selection of Directors. The Mayor of the City of Portage, State of Michigan, with the advice and consent of the Portage City Council, shall appoint the members of the Board of Directors. Subsequent directors shall be appointed in the same manner as the original appointments at the expiration of each director's term of office.

Section 4. Expiration of Term - Continuation in Office - Reappointment - Filling of Vacancies. Directors whose term of office has expired shall continue to hold office until his/her successor has been appointed with the advice and consent of the Portage City Council. A director may be reappointed with the advice and consent of the Portage City Council to serve additional terms. If a vacancy is created by the death, resignation or removal of a director, a successor shall be appointed with the advice and consent of the Portage City Council within thirty (30) days, to hold office for the remainder of the term so vacated.

Section 5. Removal. A director may be removed from office for inefficiency, neglect of duty, misconduct or malfeasance by a majority vote of the Portage City Council.

Section 6. Disclosure of Interests. A director who has a direct interest in any matter before the Corporation shall disclose his/her interest prior to the Corporation taking any action with respect to the matter, which disclosure shall become a part of the record of the Corporation's official proceedings.

ARTICLE IV

OFFICERS

Section 1. Officers. The officers of the Corporation shall be a President, one or more Vice-Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the regular Annual Meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his/her successor shall have been duly elected and shall have qualified.

Section 3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served thereby.

Section 4. Vacancies. Any vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall be the principal executive officer of the Corporation and shall, in general, supervise and control all of the business and affairs of the Corporation. He/she shall preside at all meetings of the members and of the Board of Directors. He/she may sign, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other officer or agent of the Corporation and, in general, he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors.

Section 6. Vice-President. In the absence of the President, or in the event of his/her inability or refusal to act, the Vice-President (or in the event there be more than one Vice-President, the Vice-President in the order of their election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such other duties as may be assigned to him/her by the President or by the Board of Directors.

Section 7. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine. He/she shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article IX of these By-Laws; and, in general, perform all the duties incident to the office of Treasurer and such other duties as may be assigned to him/her by the President or by the Board of Directors.

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; be custodian of the Corporate records and of the seal of the Corporation, and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these By-Laws; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and, in general, perform all duties incident to the office of Secretary and such other duties as may be assigned to him/her by the President or by the Board of Directors.

Section 9. Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

ARTICLE V

COMMITTEES

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the directors present at any meeting, may designate and appoint one or more committees, each of which shall consist of two or more directors, and shall have and exercise such authority as shall be granted to them by such resolution; provided, however, such committee shall not have the power or authority to amend the Articles of Incorporation, adopt an agreement of merger or consolidation or an agreement for the sale, lease or exchange all or substantially all of the Corporation's property and assets, dissolve the Corporation, or amend the By-Laws of the Corporation. Except as otherwise provided in said resolution, the members of such committee shall be directors of the Corporation and the President shall appoint the members. Any member may be removed by the person or persons authorized to appoint such member whenever, in their judgment, the best interests of the Corporation shall be served by such removal.

Section 2. Term of Office. Each member of a committee shall continue as such until the next Annual Meeting of the members of the Corporation and until his/her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee or unless such member shall cease to qualify as a member.

Section 3. Chairperson. One member of each committee shall be appointed Chairperson by the person or persons authorized to appoint the members.

Section 4. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE VI

MEETINGS

Section 1. Annual Meeting. An annual meeting of the Board of Directors shall be held on the second Wednesday in the month of September in each year beginning with the year 1978, at the hour of 7:30 o'clock P.M., for the purpose of electing officers and for the transaction of such other business as may come before the meeting. If the election of officers shall not be held on the day designated herein for any annual meeting or any adjournment thereof, the Board of Directors shall cause the election to be held at a regular or special meeting of the Board of Directors as soon thereafter as conveniently may be.

Section 2. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors shall from time to time determine. All notices of the regular meetings of the Board shall comply with 1976 PA 267; MCLA 15.261 et seq.; MSA 4.1800 (11) et seq.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Michigan, as the place for holding any special meeting of the Board called by them.

Section 4. Notice of Special Meetings. Notice of any special meeting of the Directors shall be given at least two (2) days previously thereto by written notice delivered personally or sent by mail or telegram to each director at his/her address as shown in the records of the Corporation. If mailed, such notice shall be in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram has been delivered to the telegraph company. Any director may waive notice of any meeting either before or after such meeting. Attendance of a director at a meeting constitutes waiver of notice of the 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 regular or special meeting of the Board need be specified in the notice or waiver of notice of such meetings, unless otherwise required by these By-Laws.

Section 5. Quorum and Voting. A majority of the members of the Board then in office constitutes a quorum for the transaction of business. The vote of a majority of members present at a meeting at which a quorum is present shall constitute the action of the Board of Directors, unless the vote of the larger number is required by statute or elsewhere in these By-Laws.

Section 6. Public Meetings. The meetings of the Board of Directors shall be public.

ARTICLE VII

Books and Records

Section 1. Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any director, his/her agent, or attorney, or by the general public.

Section 2. Minutes of Meetings.

- a. The Corporation shall keep minutes of each meeting showing the date, time, place, members present, members absent, any decisions made. The minutes shall include all roll call votes taken at the meeting.
- b. Minutes shall be public records open to public inspection and shall be available at the address designated on posted public notices. Copies of the minutes shall be available to the public at the reasonable estimated cost for printing, copying and mailing.
- c. Proposed minutes shall be available for public inspection not more than eight (8) business days after the meeting. Approved minutes shall be available for public inspection not later than five (5) business days after the meeting at which the minutes are approved.

ARTICLE VIII

Reporting, Public Access to Records

Section 1. The Corporation shall report to the Portage City Council after its annual meeting which report shall fully describe the activities of the Corporation including a statement of all revenues and expenditures since the previous report.

Section 2. The financial records, accountings, audit reports, and other reports of public moneys under the control of the Corporation shall be public records and open to inspection.

Section 3. The Corporation shall publish in a newspaper of general circulation not more than 120 days after the conclusion of the Corporation's operating year, a statement of all of its revenues and expenditures for the year and shall distribute copies of the report upon request.

ARTICLE X

Fiscal Year

The fiscal and operating years of the Corporation shall begin on the first day of July 1 and end on the last day of June 30 in each year.

ARTICLE XI

Seal

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal".

ARTICLE IX

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation.

Section 2. Checks, Drafts, etc.. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice-President of the Corporation.

Section 3. Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

Section 5. Loans. No loan shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors and approved by the Kalamazoo County Board of Commissioners.

ARTICLE XII

Conflict of Interest and Disclosure

Section 1. Subject to Section 2 of this Article, a Director, officer or employee of the Corporation shall not:

- a. Be a party, directly or indirectly to any contract between himself or herself and the Corporation; or
- b. Directly or indirectly solicit any contract between the Corporation and
 1. himself or herself;
 2. any firm (meaning a co-partnership or other unincorporated association) of which he or she is a partner, member or employee;
 3. any private corporation in which he or she is a stockholder owning more than 1% of the total outstanding stock of any class where such stock is not listed on a stock exchange or stock with a present total market value in excess of \$25,000.00 where such stock is listed on a stock exchange or of which he or she is a director, officer or employee; or
 4. any trust of which he or she is a beneficiary or trustee;

nor shall he or she take any part in the negotiations for such a contract or the renegotiation thereof or amendment thereto or in the approval thereof; nor shall he or she represent either party in transaction.

Section 2. A Director, officer or employee of the Corporation shall not be subject to Section 1 of this Article with respect to any contract described in Section 1, provided:

- a. The Director, officer or employee is not paid for working more than an average of 25 hours per week for any public entity, including the State of Michigan, all agencies thereof, any public body corporate within the State, including all agencies thereof, or any non-incorporated public body within the State of whatever nature, including all agencies thereof;
- b. The Director, officer or employee discloses his or her pecuniary interest in the contract to the Corporation; and

- c. The contract is approved by a vote of two-thirds (2/3) of the Board of Directors without the vote of any interested Director.

Section 3. A Director shall:

- a. Promptly disclose to the corporation any direct interest in any matter before the Corporation prior to the Corporation taking any action with respect to such matter; and
- b. Refrain from participation in the Corporation's proceedings relating to the matter.

Section 4. All disclosures pursuant to Sections 2 and 3 of this Article shall be made a matter of record in the official proceedings of the Corporation.

ARTICLE XIII

Amendments to By-Laws

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by a majority of the directors present at any regular meeting or at any special meeting, it at least five days written notice is given of intention to alter, amend or repeal or to adopt new By-Laws at such meeting; provided, however, the amendments or new By-Laws must be approved by resolution by the Portage City Council before they are effective.

CERTIFICATION

I hereby certify that the above By-Laws were adopted on the 21st
day of November, 1978 by the City Council of the City of Portage.



Director of the Department
of Development

RESOLUTION APPROVING
CREATION OF
TAX INCREMENT
FINANCE AUTHORITY

Moved by Councilman Schuring

Supported by Councilman Shugars

WHEREAS, the City Council of the City of Portage (hereafter the "City"), has determined that it is in the best interest of the public to halt a decline in property values, increase property tax valuations, eliminate the causes of a decline in property values and to promote growth in an area of the City; and

WHEREAS, pursuant to Act No. 450 of the Michigan Public Acts of 1980 as amended, (ACT 450), the City of Portage is authorized to create a Tax Increment Finance Authority (hereafter the "Authority"); and

WHEREAS, the City Council of the City of Portage is required by Act 450 to hold a public hearing on the adoption of a resolution creating the Authority; and

WHEREAS, the City Council held the required hearing on September 3, 1985.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTAGE, as follows:

1. The City Council hereby adopts the attached Resolution to create and to provide for the operation of the Authority as provided for in Act 450.
2. The City Clerk shall cause a copy of this Resolution to be published once in the Kalamazoo Gazette a newspaper of general circulation in the City which notice shall comply with the provisions of Act No. 450.
3. The City Clerk shall also file a copy of this Resolution with the Secretary of State.
4. The attached Resolution shall take immediate effect.

RESOLUTION ESTABLISHING
THE TAX INCREMENT
FINANCE AUTHORITY
OF THE CITY OF
PORTAGE

1. The Resolution shall serve as the permanent Articles of Incorporation of the Tax Increment Finance Authority of the City of Portage, (the "Authority").
2. Pursuant of Public Act No. 450 of the Michigan Public Acts of 1980, as amended, (the "Act"), there is hereby established a Tax Increment Finance Authority, (the "Authority").
3. The boundaries of the Authority District shall be as set forth in Appendix 1.
4. The Authority shall be under the supervision and control of the Tax Increment Finance Board (the "Board"). The Economic Development Corporation Board of Directors is hereby designated as the Tax Increment Finance Board. Insofar as possible, three of the members of the Board shall be representatives of the Portage Public Schools.
5. The majority of the members of the Board shall constitute a quorum for the transaction of business. The Board shall annually elect one of its members as Chairperson, one of its members as Vice-chairperson, and one of its members as Secretary.
6. The Board shall prescribe and adopt rules of procedure and the holding of regular meetings, subject to the approval of City Council. Special meetings may be held when called in the manner provided in the rules of the Board.
7. In accordance with the provisions of the Act, the Board may:
 - (a) Prepare an analysis of economic changes taking place in the municipality and its environs as those changes relate to urban deterioration in the development areas. (Development areas being defined in Section 1 (e) of P.A. 450 of 1980).
 - (b) Study and analyze the impact of growth upon development areas.
 - (c) Plan and propose the construction 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 development areas.
 - (d) 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 development areas, and take such steps as may be necessary to implement the plans to the fullest extent possible.
 - (e) Implement any plan of development in a development area necessary to achieve the purposes of Public Act No. 450 of 1980, in accordance with the powers of the Authority as granted by said act.
 - (f) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.
 - (g) 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 the purposes of Public Act No. 450 of 1980, and to grant or acquire licenses, easements, and options with respect thereto.
 - (h) 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 or area for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.
 - (i) 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.

- (j) Lease any building or property or part of building or property under its control.
- (k) Accept grants and donations of property, labor or other things of value from a public or private source.
- (l) Acquire and construct public facilities.
- (m) 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.
- (n) Authorize, issue and sell its tax increment bonds, subject to the limitations set forth in Public Act 450 of 1980, to finance a development program.

8. The Secretary of the Board shall keep a correct written record of all the Board's business and transactions. The records shall be filed with the City Clerk and shall be a public record available for inspection.

9. The Authority shall be considered an instrumentality of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

10. The City of Portage may take private property under Act No. 87 of the Public Acts of 1980, being sections 213.51 to 213.77 of the Michigan Compiled Laws, for the purpose of transfer to the Authority, and may transfer the property to the Authority for use as authorized in the development program, on terms and conditions it considers appropriate. The taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

11. The activities of the Authority shall be financed from 1 or more of the following sources:

- (a) Contributions to the Authority for the performance of its functions.
- (b) Revenues from any property, building, or facility owned, leased, licensed, or operated by the Authority or under its control, subject to the limitations imposed upon the Authority by trusts or other agreements.
- (c) Tax increments received pursuant to a tax increment financing plan established under Section 13 to 15 of the Act.
- (d) Proceeds of tax increment bonds issued pursuant to Section 15 of the Act.
- (e) Proceeds of revenue bonds issued pursuant to Section 12 of the Act.
- (f) Money obtained from any other sources approved by the City Council of the City of Portage.

12. The Authority may borrow money and issue it negotiable revenue bonds pursuant to Act No. 94 of the Public Acts of 1933, as amended, being Section 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the Authority shall not, except as hereinafter provided, be considered a debt of the City of Portage or of the state.

The City of Portage by majority vote of the members of its governing body may pledge its full faith and credit limited tax to support the Authority's revenue bonds.

13. By resolution of its Board, the Authority may authorize, issue, and sell its tax increment bonds, subject to the limitations set forth in this section, to finance a development program. The bonds shall mature in not more than 30 years and shall be subject to Act No. 202 of the Public Acts of 1943, as amended, being Section 131.1 to 138.2 of the Michigan Compiled Laws. The Authority may pledge for annual debt service requirements in any 1 year not more than 80% of the estimated tax increment revenue to be received from a development area for that year, and the total aggregate amount of borrowing shall not exceed an amount which the 80% of the estimated tax increment revenue will service as to annual principal and interest requirements. The bonds issued under this section shall be considered a single series for the purposes of Section 4 of Chapter V of Act No. 202 of the Public Acts of 1943, as amended, being Section 135.4 of the Michigan Compiled Laws.