

**BYLAWS OF**  
**THE BUSINESS DEVELOPMENT AUTHORITY**  
**OF THE CHARTER TOWNSHIP OF MT. MORRIS**

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

**ARTICLE ONE**

**ORGANIZATIONAL NAME**

The name of the Organization is the Charter Township of Mt Morris Business Development Authority (established and provided for an Ordinance of the Charter Township of Mt Morris as on file with the Michigan Secretary of State.)

**ARTICLE TWO**

**POWERS AND DUTIES OF THE BOARD**

Section 2.0 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 district.
- (2) Study and analyze the impact of metropolitan growth upon the district.
- (3) Plan and purpose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation or reconstruction of a public facility, and 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 district.
- (4) Develop long range plans designed to halt the decline of property values and to promote the growth of the 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 district necessary to achieve the purposes of this Authority, in accordance with the powers of this Authority as granted in 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 Authority determines is reasonably necessary to achieve its purpose 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 reserve, equip, improve, maintain, repair and operate any building, including any type of housing, and any necessary or desirable appurtenances thereto, within the district for the use, in whole or in part, of any public or private person or corporation thereof.
- (9) Assess, 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) Accepts 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 uses 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.

### ARTICLE THREE

#### DIRECTORS

Section 3.0 Qualifications. A member of the Authority shall have one of the following qualifications:

- 1) resident of Municipality
- 2) registered voter in the Municipality
- 3) have an interest in real property in the Authority District.

A majority of the Board shall have an interest in property in the Authority District.

Section 3.1 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 3.2 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 not less than eight (8) or more than twelve (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. The Chief Executive Officer of the municipality shall automatically be a member of the Authority.

Section 3.3 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. Terms of office shall begin on the first day of the fiscal year in the year of the appointment as provided in Section 3.2 above.

Section 3.4 Oath of Office. Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

\* Section 3.5 Compensation. Board members shall serve without compensation but be reimbursed actual expenses incurred in the performance of their official duties. Nothing herein contained shall be construed to preclude any Board member from serving the Authority in any other capacity and receiving compensation except in the capacity of Executive Director of the Authority.

Section 3.6 Proxy. If a member of the Board is unable to attend a meeting at which a vote on a specific issue is to be taken, they 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 a manner as to clearly state the question as it will be presented to the member and state the answer (yea, nay or abstained) in the same manner as would be voiced by the member 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 Officer 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 a proxy.

Section 3.7 Removal. Any Director may be removed from office for cause by majority vote of the Township Board.

Section 3.8 Conflict of Interest. A Board member who has a direct interest in any matter before the Authority shall disclose their 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 Board member shall further refrain from participation in the Authority's proceedings relating to the matter.

## ARTICLE FOUR

### OFFICERS

Section 4.0 Officers. The Board of Directors may each year elect by majority vote a Chairperson, Secretary and Treasurer of the Authority. The Board of Directors at that time or from time to time may elect one or more Vice Presidents and such other Officers as are determined necessary for the efficient operation of the Authority by majority vote of the Board of Directors. The same person may hold any two or more offices except that the two offices may not be any combination of chairperson, secretary and treasurer. No officer shall execute, acknowledge or verify any instrument in more than one capacity.

Section 4.1 Election of Officers. Except for the initial election, Officers of the Authority shall be elected annually at the first meeting of each fiscal year.

Section 4.2 Term of Office. Each Officer elected shall hold office for the term for which that Officer was elected and until that Officer's successor is elected and qualified or until resignation or removal. Any Officer may be removed from office at any meeting of the Board of Directors, with or without cause, by affirmative vote of a majority of the Directors then in office. Any officer may resign by written notice to the Chairperson of the Board. The resignation shall be effective upon receipt of the Chairperson or at a subsequent time specified in the notice of resignation. The Board of Directors shall have power to fill any vacancies in any offices occurring for whatever reason.

Section 4.3 Chairperson. The Chairperson shall be elected by the board of the Authority and shall preside at all meetings of the Board of Directors. The chairperson shall have such other powers and duties as may be from time to time prescribed by the Board of Directors. The Chairperson may from time to time delegate such duties to an executive Vice-Chairperson, if one is elected, or to any Vice-Chairperson unless otherwise prohibited by law, these Bylaws or by majority vote of the Board of Directors then in office.

Section 4.4 Vice-Chairperson. The Vice-Chairperson shall, in the absence of the Chairperson, preside at all meetings of the Board of Directors. The Vice-Chairperson shall have such powers and perform such duties as may be delegated by the Chairperson or as prescribed by the Board of Directors.

Section 4.5 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 committees of the Board when required. The Secretary shall give, or cause to be given, notice of all meetings of the Board and shall perform all such other duties as prescribed by the Board of Directors. The Secretary shall keep in safe custody the seal of the Authority and, when authorized by the Board, affix the seal to any instrument requiring it and attest by signature that the document is a true, original or copy. The Secretary shall execute with the Chairperson all authorized conveyances, contracts or other obligations in the name of the authority except as otherwise prescribed by the Board of Directors.

Section 4.6 Treasurer. The Treasurer shall keep or cause to be kept, full and accurate accounts of receipts and disbursements and books belonging to the Authority and shall deposit all monies and other valuable effects in the name of and to the credit of the Authority in such depositories as may be designated by the Board of Directors. The Treasurer shall oversee the disbursement of funds of the corporation as may be ordered by the Board, and shall render to the Chairperson and Directors, at regular meetings of the Board, or whenever required by the Board, an account of all transactions as treasurer and the financial condition of the Authority. If required by the Board of Directors, the Treasurer shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of the office of Treasurer and for restoration to the Authority (in case of death, resignation or removal from office) of all books, papers, vouchers, monies and other property of whatever kind in the Treasurer's possession and control belonging to the Authority.

Section 4.7 Assistant Secretaries and Assistant Treasurers. The Board of Directors may, in its sole discretion, hire and empower such Assistant Secretaries and Assistant Treasurers as the Board deems appropriate for the efficient operation of the Authority and may from time to time delegate such duties and powers to the Assistant Secretaries and Assistant Treasurers which may be performed by the Secretary and Treasurer, respectively.

## ARTICLE FIVE

### MEETINGS

Section 5.0 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 5.1 Place of Meetings. The Board of Directors may meet at such places as designated from time to time by the Board of Directors.

Section 5.2 Annual Meeting. The Board of Directors shall hold its annual meeting on the second Tuesday after January 1 at such place and time as may be set by the Board of Directors.

Section 5.3 Regular Meetings. The Board of Directors shall set the times and places of its regular meetings at its annual meeting. The dates, times and places of its regular meetings may be amended thereafter at any time by majority vote of the Board of Directors.

Section 5.4 Special Meetings of the Board of Directors may be Held. Special meetings shall be called at the request of the Chairperson or at the written request of members of the Board of Directors given to the Secretary. Notice of special meetings shall be given in writing by the Secretary to the members of the Board. Notice of special meetings shall comply with Act 267 of the Public Acts of 1976, as amended.

Section 5.5 Quorum. A majority 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. The vote of the majority of members present at a meeting at which a quorum is present shall constitute the action of the Board of Directors unless otherwise required by law.

Section 5.6 Rules of Order. Parliamentary procedure at Board of Directors meetings shall be governed by the latest addition available to the Secretary of Robert's Rules of Order, except where otherwise required by law.

Section 5.7 Agenda. The Secretary shall prepare an agenda for each meeting of the Board of Directors stating the topics on the agenda and their order. No items for discussion or action shall be placed on the agenda less than 18 hours before the meeting or at the meeting except by unanimous vote of the Board of Directors present at the meeting.

Section 5.8 Public Comments. Public comments will be accepted at all meetings of the Board of Directors and shall be placed on the agenda therefor. The Board of Directors reserves the right to limit public comments and presentations to the Board as it deems appropriate for the efficient operation of the Board of Directors.

## ARTICLE SIX

## COMMITTEES OF THE BOARD

Section 6.0 Committees. The Board of Directors may by resolution establish one or more Committees. Each Committee shall consist of one or more members of the Board of Directors. The Chairperson of the Board shall appoint the members of each Committee so established. Each member appointed to a Committee shall serve until removed by action of the Chairperson. The Board of Directors may, by a two-thirds majority vote of the Directors then in office, veto the appointment of any Committee member or remove any Committee member.

## ARTICLE SEVEN

### ADMINISTRATION

Section 7.0 Registered Office. The Board of Directors may establish a principal office and such other offices as it deems appropriate for the efficient administration of the Authority.

Section 7.1 Executive Director. An Executive Director may be employed and shall serve at the pleasure of the Board of Directors. The Board of Directors shall annually fix the Executive Director's compensation. The Executive Director shall attend all meetings of the Board of Directors and shall have such powers and perform such duties as prescribed by the Board of Directors. If required by the Board of Directors, the Executive Director shall give a bond in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of the Executive Director's office and for the restoration to the Authority (in case of death, resignation or removal from office) of all books, papers, vouchers, monies and other property of whatever kind in and under the executive director's possession and control.

Section 7.2 Other Employees. The Board of Directors may from time to time employ such other employees of the Authority as it deems appropriate for the efficient administration of the Authority including, but not limited to, Secretary, Treasurer, Clerical Staff and Attorney. The Board of Directors shall annually fix all employees' compensation. The Board of Directors may require some or all employees to give a bond in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of that employee's office and for the restoration to the Authority (in case of death, resignation or removal from office) of all books, papers, vouchers, monies and other property of whatever kind in and under that employee's possession and control. All employees shall serve at the will of the Board of Directors.

## ARTICLE EIGHT



## FINANCIAL

Section 8.0 Contracts. Unless otherwise resolved by the Board of Directors, all contracts by or on behalf of the Authority shall be signed by the Chairperson and Secretary.

Section 8.1 Negotiable Paper. No negotiable paper purported to bind the Authority shall be valid unless signed by the Chairperson and Treasurer after Board of Director's resolution authorizing same.

Section 8.2 Deposits. All funds and monies of the authority shall be deposited until disbursement in such depositories as are authorized by the Board of Directors and which are permitted by law.

Section 8.3 Accounting. The Treasurer shall comply with Act 621 of the Public Acts of 1978, as amended and generally accepted accounting standards in accounting for all funds and monies of the Authority.

Section 8.4 Employment of Accountants/Auditors. The Board of Directors may employ such Accountants or Auditors as it deems appropriate to ensure proper financial accounting and administration of all authority funds and monies. The Board shall fix the compensation of the Accounts or Auditors.

Section 8.5 Fiscal Year. The fiscal year of the authority shall begin on January 1 of each year and end of December 31 of the next year unless otherwise resolved by majority vote of the Board of Directors.

## ARTICLE NINE

### FINANCIAL REPORTS AND AUDITS

Section 9.0 Annual Financial Report. The Authority shall submit annually to the governing body as soon after the close of the fiscal year as is practicable a report of the financial status and activities of the Authority. 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 9.1 Expense Report. Once each month the Authority shall prepare a report on all expenditures for the preceding month, and shall include at a minimum the following:

- a. Debt service (principal and interest) on existing outstanding bond issue.
- b. Administration 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 9.2 Annual Budget. The Authority shall prepare and submit a budget for approval by the governing body at the same regular meeting required of 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 same manner and contain the same information as the municipality. Following the approval of the budget by the governing body, the budget shall be adopted by the Board of Authority.

Section 9.3 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 conducted in combination with 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 TEN

### INDEMNIFICATION

Section 10.0 Third-Party Suits. To the extent permitted by Michigan law from time to time and in effect and subject to the provisions of this Article Ten, the Corporation shall indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee

or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation or its shareholders, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any 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 reasonably believed to be in or not opposed to the best interest of the Corporation or its shareholders and, with respect to any criminal action or proceeding, had reasonable cause to believe his conduct was unlawful. (MBCA 561)

**Section 10.1 Suits by or in Right of the Corporation.** To the extent permitted by Michigan law from time to time in effect and subject to the provisions of this Article Ten, the Corporation shall indemnify any person who was or is a party to or is threatened to be made a party to and threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation or its shareholders, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication or liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. (MBCA 562)

**Section 10.2 Indemnification against Expenses.** To the extent that a person who is

or was a director, officer, employee or agent of the Corporation, or a director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise with which he is or was serving at the request of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article Ten, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. (MBCA 563)

Section 10.3 Determination that Indemnification is Proper. Any indemnification under Sections 1 or 2 of this Article Ten (unless ordered by a court) shall be made by the Corporation only upon a determination that indemnification of the person is proper in the circumstances because he has met the applicable standard of conduct set forth in said Sections 1 and 2. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the shareholders. (MBCA 563)

Section 10.4 Reimbursement of Expenses. Expenses incurred by any person who may have a right of indemnification under this Article Ten in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided by Section 4 of this Article Ten upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation pursuant to this Article Ten. (MBCA 564)

Section 10.5 Bylaws Not Exclusive. The indemnification provided by this Article Ten shall not be deemed exclusive of any other rights to which any person may be entitled under any by-law, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding his office, except to the extent that such indemnification may be contrary to law. The indemnification provided by this Article Ten shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person. (MBCA 565)

Section 10.6 Insurance. The Corporation may purchase and maintain insurance (and

pay the entire premium therefor) on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article Ten or under the provisions of Section 561 through 565 of the Michigan Business Corporation Act. (MBCA 567)

Section 10.7 Severability. The invalidity or unenforceability of any provision of this Article Ten shall not affect the validity or enforceability of the remaining provisions of this Article Ten.

## ARTICLE ELEVEN

### MISCELLANEOUS

Section 11.0 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 1992.

Section 11.1 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 time before or after the action is completed the person entitled to notice or to participate in the action taken or to be taken submits a signed waiver of such requirements.

Section 11.2 Amendments. These bylaws 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 Township Board.

Section 11.3 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 personnel participating in the meeting can hear each other. Participation in a meeting pursuant to this provision constitutes presence in person at the meeting.

Pocket

Mt. Morris Charter Township  
Special Board Meeting  
May 18<sup>th</sup>, 2015 5:30 pm.

Pledge of Allegiance:

Roll Call: Present: Deloney, Armstrong, Sanders, Haley, Green.

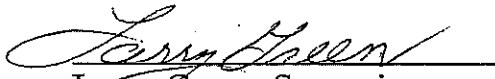
Absent: Ashley, King.

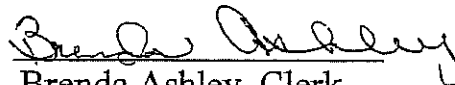
Motion by Sanders, supported by Deloney to approve Ordinance 15-03, for BDA amend the Development plan and tax increment financing plan for the Mt. Morris Charter Township Business Development Authority pursuant to the provisions of Act 197 Public Acts of Michigan of 1975 and to provide for all matters related thereto.

Yeas: Deloney, Sanders, Armstrong, Haley, Green. 5-0 vote

Motion by Sanders, supported Deloney to adjourn at 5:39 pm.

Yeas: Sanders, Deloney, Armstrong, Haley, Green. 5-0 vote

  
Larry Green, Supervisor

  
Brenda Ashley, Clerk