

**BYLAWS OF THE LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITIES OF LANSING AND EAST LANSING**

October 21, 2005 (rev: December, 2014)

ARTICLE I - NAME

The name of this Authority is the Local Development Finance Authority of the Cities of Lansing and East Lansing as specified by the "Agreement Regarding the Operation of the Local Development Finance Authority of the Cities of Lansing and East Lansing" (the "Agreement").

ARTICLE II - PURPOSE

The purpose of the Authority is to carry out those purposes and exercise those powers as conferred upon it by Act 281 of the Michigan Public Acts of 1986 as amended. The Authority shall have all the powers which now or hereafter may be conferred by law on authorities organized under said Act and which are in accord with that certain Lansing Regional SmartZone Agreement Dated November 30, 2005.

ARTICLE III - AUTHORITY BOARD OF DIRECTORS

Section 1. Authority Board of Directors. The Authority shall be under the supervision and control of a board consisting of three members appointed by the Mayor of the City of Lansing, three members appointed by the Mayor of the City of East Lansing, and one member appointed by the Ingham County Board of Commissioners (the "Authority Board"). All Authority Board appointments shall be subject to the approval of their respective Council or Board of Commissioners as specified in the Agreement. *Two additional board members are allowable through board approval, not through appointments by respective municipalities.

Section 2. Terms, Replacement, and Vacancies. Of the initial three members appointed by the City of Lansing, one term shall expire on June 30, 2007, one term shall expire on June 30, 2008, and one term shall expire on June 30, 2009. Of the initial three members appointed by the City of East Lansing, one term shall expire on June 30, 2007, one term shall expire on June 30, 2008, and one term shall expire on June 30, 2009. Of the one member appointed by the Ingham County Board of Commissioners, the initial term shall expire on June 30, 2009. Thereafter, each member appointed by the City of Lansing, City of East Lansing, and the Ingham County Board of Commissioners shall serve for a term of four-years. A member shall hold office until the member's successor is appointed by the appropriate Council or Board of Commissioners.

Section 3. Removal. Subject to notice and an opportunity to be heard, a member of the Board may be removed for cause by the Mayor of the City of Lansing, the Mayor of the City of East Lansing, or the Ingham County Board of Commissioners, as applicable, which appointed the member subject to the removal action.

A finding for cause shall be made by the Board for unexcused absences, failure to report a conflict of interest, or other action as deemed detrimental to the operation of the Authority. Such finding shall be reported to the Mayor of the City of Lansing, the Mayor of the City of East Lansing, or the Ingham County Board of Commissioners, as applicable, for action.

ARTICLE IV - OFFICERS

- Section 1. Officers.** The officers of the Authority Board shall be a chairperson, a vice chairperson, a treasurer, and a recording secretary. All officers shall be members of the Authority Board, with the exception of the recording secretary who need not be a member of the Authority Board.
- Section 2. Removal of Officers.** An officer may be removed by the Authority Board whenever, in its judgment, the best interest of the Authority Board will be served. To remove an officer, at least two thirds of all current members must vote in favor of the action.
- Section 3. Chairperson.** The chairperson shall preside at all meetings of the Authority Board and shall discharge the duties as a presiding officer.
- Section 4. Vice Chairperson.** In the absence of the chairperson or in the event of inability to serve as chairperson, the vice chairperson shall perform the duties of the chairperson and when so acting, shall have all the powers and be subject to all the restrictions of the chairperson.
- Section 5. Treasurer.** The treasurer shall prepare, with the assistance of appropriate staff, an annual financial report covering the fiscal year of the Authority. The fiscal year of the Authority shall be July 1 to June 30. An annual audit will be made each year. The treasurer shall provide a bond if necessary in the amount prescribed by the Authority Board.
- Section 6. Recording Secretary.** The recording secretary who, if not a member of the Authority Board, shall be a designee of the Authority Board. The recording secretary shall attend all meetings of the Authority Board and with the assistance of appropriate staff record all votes and the minutes of all proceedings in a book to be kept for that purpose.

The recording secretary shall give, or cause to be given, notice of all meetings of the Authority Board and shall perform such other duties as may be prescribed by the Authority Board. The recording secretary shall, when authorized by the Authority Board, attest by signature to actions of the Authority Board, and shall maintain custody of the official seal, and of the records, books and all documents of the Authority.

Section 7. Delegation of Duties of Officers. In the absence of any officer of the Authority Board due to resignation or removal, the Authority Board may delegate the powers and duties of any officer to any Authority Board member provided a majority of a quorum of the Authority Board concurs therein.

Section 8. Election of Officers. Nominations shall be made from the floor at the annual meeting in October or at the initial meeting of the Authority Board. Officers shall be elected by ballot. The terms of office shall be for one year and begin at the close of the annual meeting at which they are elected, or until his or her successor shall be elected and qualified. No member shall hold more than one office at a time. Subject to the approval of the Authority Board, the expectation is that the officer positions will rotate each year, so that the Treasurer will be elected Vice Chairperson, and the Vice Chairperson will be elected Chairperson.

ARTICLE V - EMPLOYMENT OF DIRECTOR

The Authority Board may employ and fix compensation of a director. The Director shall serve at the pleasure of the Authority Board.

ARTICLE VI - MEETINGS

Section 1. Organizational Meeting and Election of Officers. Officers shall be elected at the first organizational meeting of the Authority Board after the adoption of the Bylaws and shall be appointed thereafter pursuant to Article VI - Section 2.

Section 2. Annual Meeting. Starting in the year 2006, an annual meeting shall be held in October at a time and place to be set by the Authority Board. Election of officers shall occur at the annual meeting. If the election of officers does not occur on the day designated or any adjournment thereof, the Authority Board shall cause the election to be held at a regular or special meeting of the Authority Board within 90-days of the annual meeting.

Section 3. Regular Meetings. Regular meetings of the Authority Board shall be held at a time and place to be set by the Authority Board at its annual meeting. Notice of regular meetings shall be published. The Authority Board records shall be open to the public.

Section 4. Special Meetings. Special meetings of the Authority Board may be called by the chairperson, the vice chairperson in the absence of the chairperson, or by any three Authority members by giving 24-hour's notice of the meeting, stating the purpose of the meeting and by posting sufficient public notice.

Section 5. Notice of Meetings. All meetings other than regularly scheduled meetings shall be preceded by public notice posted 18 hours prior to the meeting in accordance with Act 267 of the Public Acts of 1976 as amended.

- Section 6** **Agenda.** The recording secretary together with appropriate staff shall prepare the agendas for all meetings and send them to the Authority Board members at least 24-hours prior to the meeting. Any member of the Authority Board may request any item to be placed on the agenda.
- Section 7** **Quorum and Voting.** A quorum shall constitute at least a majority of the Authority Board members in office at the time. A majority vote of a quorum of the Authority Board shall constitute the action of the Authority Board unless the vote of a larger number is required by statute, or elsewhere in these rules. In the event that effective membership is reduced because of a conflict of interest, a majority of the remaining members eligible to vote shall constitute the action of the Authority Board.
- Section 8** **Rules of Order.** *Robert's Rules of Order* will govern the conduct of all meetings.
- Section 9** **Open and Closed Meetings.** All regular and special meetings of the Authority Board shall be open to the public. Closed meetings of the Authority Board may be called for the purposes listed in the Open Meetings Act 267 of the Public Acts of 1976 as amended if approved by the Authority.
- Section 10** **Conflict of Interest.** An Authority Board member who has a direct conflict of interest of more than a de minimis nature as defined by MCL 15.323 and 15.323a in any matter before the Authority Board shall disclose that interest prior to the Authority Board taking any action with respect to the matter. This disclosure shall become part of the record of the Authority Board's official proceedings. Any member making such disclosure shall, with the approval of the Authority Board, refrain from participating in the Authority Board's decision making process, to include all discussions, motions made and votes taken, relative to such matters, unless required by law.
- Section 11** **Mandatory Voting.** Except when a member is excused from participating on a matter by the chair because of a disclosed conflict of interest, all members present shall vote on all matters before the Authority Board.

ARTICLE VII - EXECUTIVE COMMITTEE

The officers of the Authority Board, including chairperson, vice chairperson, treasurer, and recording secretary, shall constitute the executive committee. The executive committee shall have general supervision of the affairs of the Authority Board between its business meetings, fix the hours and place of meetings, make recommendations to the Authority Board, and shall perform such other duties as specified in these Bylaws or as may be specified by the Authority Board.

ARTICLE VIII - AUTHORITY BOARD COMMITTEES AND ADVISORY COMMITTEES

Section 1 Authority Board Committees. The Authority Board, by resolution, may designate and appoint one or more committees to advise the Authority Board. Committee members shall be members of the Authority Board. The chairperson of the Authority Board shall appoint the members and select the chairperson of the Authority Board committees.

The committees may be terminated by vote of the Authority Board. At the annual meeting, the committees will be evaluated and reappointed or dissolved. A majority of the committee will constitute a quorum. A majority of the members present at the meeting at which a quorum is present shall be the action of the committee. Any and all Authority Board committees shall be bound by the Conflict of Interest policy set forth in Section VI, Article 10, above.

Section 2 Advisory Committees. The Authority Board may, by resolution, authorize the establishment of advisory committees to the Authority Board. The chairperson shall select, with the advice and consent of the Authority Board members, the members of each advisory committee. The advisory committees shall elect their own officers and establish rules governing their action. Any and all advisory committees shall be bound by the Conflict of Interest policy set forth in Section VI, Article 10, above, as though each member of the advisory committee were a member of the Authority Board.

ARTICLE IX - INDEMNIFICATION

Section 1 Indemnification. Whenever any claim is made or any civil action is commenced against any officer or employee of the Authority, or injuries to persons or property caused by the negligence of the officer or employee while in the course of their employment, and while acting within the scope of their authority, the Authority Board may, but is not required to pay for legal services and also for any judgment or compromised settlement of the claim, pursuant to Act 170 of the Public Acts of 1964, as amended.

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

1. By a majority vote of the members of the Authority Board who were not parties to such action, suit or proceedings, or
2. If such quorum is not obtainable, or even if obtainable, a quorum of disinterested members so directs, supported by the recommendation of legal counsel in a written opinion.

Section 3. Insurance. The Authority Board may 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 the officer or employee and incurred by them in any such capacity or arising out of their status as such, whether the Authority Board would have power to indemnify that person against such liability under Sections 1 and 2 of this Article.

ARTICLE X - AMENDMENTS OF BYLAWS

These Bylaws may be amended at any regular meeting of the Authority Board by a majority vote of a quorum, provided that the amendment has been submitted in writing at the previous regular meeting.

ARTICLE XI – MISCELLANEOUS PROVISIONS

Section 1. Contracts. The Authority Board may authorize any officer, managing agent or agents, to enter into any contract or execute or deliver any instrument in the name of or on behalf of the Authority, and such authorization may be general or confined to specific instances, provided such contract or instrument is within the limits authorized by Act 281 of Michigan Public Acts of 1986, as well as the Lansing Regional SmartZone Agreement Dated November 30, 2014.

Section 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 such officer, agent or agents of the Authority as determined by the Authority Board from time to time.

Section 3. Books and Records. The Authority shall keep correct and complete records of books and accounts and minutes of the meetings. The records shall be kept at the principal office of the Authority, which will have a record of the names and addresses of the members of the Authority Board. All books and records shall be open to the public.

Section 4 Budget. The Treasurer shall annually cause to be prepared a budget in accordance with the terms of the Lansing Regional SmartZone Agreement Dated November 30, 2014.

Section 5 Tax Increment Financing and Authority Geographic Boundaries. Any plan of tax increment financing by the Authority, and the geographic boundaries of such plan, shall be as provided in the Lansing Regional SmartZone Agreement Dated November 30, 2014, as the same may be modified from time to time.

Adopted: October 2005, Rev: December 2014.