

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
KALAMAZOO LAKE SEWER AND WATER AUTHORITY**

These Amended and Restated Articles of Incorporation (the “Amended Articles”) are adopted by the incorporating municipalities for the purpose of establishing an Authority under the provisions of Act 233, Public Acts of Michigan, 1955, as amended. The Constituent Municipalities previously adopted Articles of Incorporation and established the Authority by adoption of the original Articles of Incorporation dated as of December 20, 1976 (the “Original Articles”). The Original Articles were subsequently amended by the Constituent Municipalities with the adoption of Amendment No. 1 to the Original Articles, dated as of May 14, 2001. These Amended Articles amend and restate the Original Articles, as amended, in its entirety and supersede and replace the Original Articles, as amended.

ARTICLE I

The name of this Authority is KALAMAZOO LAKE SEWER AND WATER AUTHORITY. The principal office of the Authority will be located at 6449 Old Allegan Road, P.O. Box 789, Saugatuck MI 49453.

ARTICLE II

The names of the municipal corporations establishing the Authority are the City of Saugatuck, the City of the Village of Douglas, and the Township of Saugatuck, all of the County of Allegan, Michigan, which are hereby designated as the constituent municipalities (each a “Constituent Municipality” and collectively, the “Constituent Municipalities”).

ARTICLE III

The purpose of this Authority is to operate, maintain, administer and manage the sewage disposal systems and water supply systems currently existing or hereafter established in the

Constituent Municipalities in accordance with contractual agreements between the Authority, the Constituent Municipalities and applicable non-constituent municipalities, including the County of Allegan, all in accordance with the authorization of Act 233 of the Public Acts of Michigan of 1955, as amended.

ARTICLE IV

This Authority is a body corporate, with power to sue or to be sued in any court of this State. It shall be comprised of all of the territory embraced within the corporate boundaries of its Constituent Municipalities. It shall possess all of the powers granted by statute and by these Articles, and those incident thereto. The enumeration of any powers herein shall not be construed as a limitation upon its general powers unless the context shall clearly indicate otherwise. It shall have a corporate seal.

ARTICLE V

This Authority shall continue in existence perpetually or until dissolved by act of the parties or by law; provided, however, that such Authority shall not be dissolved if such dissolution could operate as an impairment of any of its contracts.

ARTICLE VI

The fiscal year of the Authority shall commence on the first day of March in each year and end on the last day of February of the next year, unless otherwise modified by resolution of the Commission.

ARTICLE VII

The governing body of the Authority shall be the Commission. Commission members may, or may not, be members of the legislative bodies of the Constituent Municipalities. The Commission shall be made up of five (5) representatives: one (1) representative from the Township of Saugatuck, two (2) representatives from the City of the Village of Douglas, and two (2) representatives from the City of Saugatuck. The Commissioners appointed shall serve for a term

of three (3) years, and each term of office shall begin as of the first day of the Authority's fiscal year next following their respective appointment. The terms of office shall be staggered so that the terms of not more than two Commissioners will expire each year. The Commissioners appointed and serving as of the effective date of these Articles shall continue for the duration of their current term. Each Commissioner shall qualify by taking the constitutional oath of office and filing it with his respective City or Township Clerk.

Commissioners may succeed themselves and successor Commissioners shall be appointed by the legislative bodies of the respective Constituent Municipalities not less than 30 days preceding the expiration of a term of office.

At the first Commission meeting of each fiscal year, the Commission shall select a Chair and Vice Chair, who shall be members of the Commission, and a combined Secretary-Treasurer, who need not be a member of the Commission. Such officers shall serve until the organizational meeting of the following year, which shall be held annually on the first business day of March of each fiscal year, or on such other date as determined by the Commission, until their respective successors shall be selected and qualify. No appointment to the Commission and no selection of an officer of the Commission shall be deemed to be invalid because it was not made within or at the time specified in these Articles. Any Commissioner may be removed at any time without cause by action of the legislative body of the municipality which such Commissioner represents.

The Commissioners shall serve without compensation; provided, however, that the Commission may determine to compensate Commissioners for attendance at Commission meetings and/or other meetings attended on behalf of the Commission and the Authority related to Authority matters. If any Commissioner shall serve as Secretary-Treasurer, the Commissioner may receive for such services such reasonable compensation as may be fixed by the Commission.

Each Commissioner shall be entitled to reimbursement for all expenditures made in carrying out the Commissioner's official duties, including a reasonable allowance for traveling expenses.

ARTICLE VIII

In the event of a vacancy on the Commission, the legislative body of the municipality selecting such representative shall fill the vacancy for the unexpired term. In the event of a vacancy in any Commission office, such vacancy shall be filled by the Commission for the unexpired term. In case of the temporary absence or disability of any Commission officer, the Commission may appoint some person temporarily to act in his stead, except that in the event of the temporary absence or disability of the Chair, the Vice Chair shall so act.

ARTICLE IX

Regular meetings of the Commission shall be held at least quarterly, at such time and place as shall be prescribed by resolution of the Commission. Special meetings of the Commission may be called by the Chair or any two (2) Commissioners by serving written notice of the time, place and purpose thereof upon each Commissioner personally, or by leaving it at a Commissioner's place of residence, at least eighteen (18) hours prior to the time of such meeting. Special meetings of the Commission at which all members are present or of which all absent members receive notice shall be deemed to be valid even though no written notice thereof may be given as above specified. At least a majority of the members of the Commission shall be required for a quorum. The Commission shall act by motion, resolution or ordinance. A vote of a majority of a quorum shall be required for passage of any Commission action. The Commission shall have the right to adopt rules and bylaws governing its procedure which are not in conflict with the terms of any statute or these Articles. The Commission shall keep a journal of its proceedings, which shall be signed by the Secretary-Treasurer, and include the votes on all Commission matters by including recording

all “yes” and “no” votes, except that where the vote is unanimous, it shall only be necessary to so state.

The Commission shall develop and approve an annual budget in accordance with the requirements of the Uniform Budgeting and Accounting Act, Act 2 of the Public Acts of Michigan of 1968, as amended. The budget shall be adopted by the Commission prior to the commencement of each fiscal year, and the Authority shall provide a copy of the adopted budget to the Constituent Municipalities within a reasonable timeframe.

ARTICLE X

The Chair of the Commission shall be the presiding officer thereof. Except as herein otherwise provided, the Chair shall not have any executive or administrative functions other than as a member of said Commission. In the absence or disability of the Chair, the Vice Chair shall perform the duties of the Chair. The Secretary-Treasurer shall be the recording officer of the Commission and custodian of the funds of the Authority. The Secretary-Treasurer shall give to the Authority a bond conditioned upon the faithful performance of the duties of the Secretary-Treasurer’s office. The cost of said bond shall be paid by the Authority. All moneys shall be deposited in a bank or banks to be designated by the Commission, and all checks or other forms of withdrawal therefrom shall be authorized by the Commission and executed as determined by the Commission. The officers of the Commission shall have such other powers and duties as may be set forth in the Commission’s bylaws or otherwise conferred upon them by action of the Commission.

ARTICLE XI

The Authority shall possess all the powers necessary to carry out the purposes thereof and those incident thereto. It may acquire private property by purchase, lease, gift, devise or condemnation, either within or out of its corporate limits, and may hold, manage, control, sell,

exchange or lease such property. For the purpose of condemnation, it may proceed under the provisions of Act 149, Public Acts of Michigan, 1911, as now or hereafter amended, or any other appropriate statute.

ARTICLE XII

The Authority and its Constituent Municipalities may enter into any contract or contracts relative to the operation, maintenance, administration and management of the aforesaid sewage disposal and water supply systems, as authorized and provided in Act 233, Public Acts of Michigan, 1955, as amended. The Authority may also enter into contracts with any non-constituent municipality, as authorized and provided in said Act, for the furnishing of sewer and water service from any facilities operated by the Authority, which contract shall provide for reasonable charges or rates for such service furnished. No contracts shall be for a period exceeding forty (40) years.

ARTICLE XIII

The Authority may employ such personnel and employees on terms and conditions, as it may consider desirable, and may retain from time to time the services of attorneys and engineers.

ARTICLE XIV

The Authority shall cause an annual audit to be made of its financial transactions by a certified public accountant and shall make such audit publicly available.

ARTICLE XV

These Articles shall be published once in a newspaper has general circulation within the limits of the Authority. One (1) printed copy of such Articles of Incorporation, certified as a true copy thereof, with the date and place of publication, shall be filed with both the Secretary of State and the County Clerk of the County of Allegan within thirty (30) days after the execution thereof has been completed.

The Secretary-Treasurer of the Commission, or the Secretary-Treasurer's designee, is hereby designated as the person to cause these Articles to be published, certified and filed as aforesaid.

ARTICLE XVI

This Authority shall become effective upon the filing of certified copies of these Articles, as provided in the preceding Article.

ARTICLE XVII

These Articles of Incorporation may be amended at any time so as to permit any municipality, as defined in the Act, to become a member of this Authority, if such amendment to and the Articles of Incorporation are adopted by the legislative body of such municipality proposing to become a member and if such amendment is adopted by the legislative body of each constituent municipality of which the Authority is composed. Other amendments may be made to these Articles of Incorporation at any time if adopted by the legislative body of each constituent municipality of which the Authority is composed. Any such amendment shall be endorsed, published and certified, and printed copies thereof filed in the same manner as the original Articles of Incorporation, except that the filed and printed copies shall be certified by the recording officer of the Authority.

These Articles have been adopted by the several incorporating municipalities, as hereinafter set forth in the following endorsements, and in witness whereof the chief executive officer and clerk of each constituent municipality have endorsed thereon the statement of such adoption.

The foregoing Articles of Incorporation were adopted by the City Council of the City of Saugatuck, Allegan County, Michigan, at a _____ meeting duly held on the ___ day of _____, 20__.

CITY OF SAUGATUCK

By: _____
Ken Trestor
Its: Mayor

By: _____
Monica Nagel
Its: Clerk

The foregoing Articles of Incorporation were adopted by the City Council of the City of the Village of Douglas, Allegan County, Michigan, at a _____ meeting duly held on the ____ day of _____, 20__.

CITY OF THE VILLAGE OF DOUGLAS

By: _____
Linda Anderson
Its: Mayor

By: _____
Jean Neve
Its: Clerk

The foregoing Articles of Incorporation were adopted by the Township Board of the Township of Saugatuck, Allegan County, Michigan, at a _____ meeting duly held on the ____ day of _____, 20__.

TOWNSHIP OF SAUGATUCK

By: _____
Jonathan Phillips
Its: Supervisor

By: _____
Brad Rudich
Its: Clerk