

KALAMAZOO COUNTY TRANSPORTATION AUTHORITY-ARTICLES OF INCORPORATION

CHAPTER 1: AUTHORITY

The Kalamazoo County Board of Commissioners adopts these Articles of Incorporation, pursuant to the provisions of Act No. 196, of the Public Acts of 1986, as amended, being Sections 124.451-124.479 of the Michigan Compiled Laws, for the purpose of creating the Kalamazoo County Transportation Authority; establishing the powers, duties, rights and responsibilities of the Transportation Authority; establishing the composition and selection of the Board of Directors of the Transportation Authority; and establishing an effective date for these Articles of Incorporation.

CHAPTER 2: DEFINITIONS

SECTION 2.01: BOARD

"Board" means the governing body of the Kalamazoo County Transportation Authority.

SECTION 2.02: GOODS

□Goods□ means baggage, accessories, or other personal property carried by or accompanying persons using public transportation services.

SECTION 2.03: POLITICAL SUBDIVISION

"Political Subdivision" means a county, or a city, village or township within the County.

SECTION 2.04: PUBLIC AUTHORITY

"Public Authority" means the Kalamazoo County Transportation Authority created under these Articles of Incorporation.

SECTION 2.05: PUBLIC TRANSPORTATION, PUBLIC TRANSPORTATION SERVICE, PUBLIC TRANSPORTATION PURPOSE.

"Public transportation," "public transportation service," "public transportation purpose" means the movement of people and goods by publicly or privately owned water vehicle, bus, railroad car, rapid transit vehicle, taxi cab or other conveyance which provides general or special service to the public, but not including charter or sightseeing service or transportation which is exclusively used for school purposes. Public transportation, public transportation

services, or public transportation purposes as defined by this section are declared to be transportation purposes within the meaning of section 9 of Article IX of the state constitution of 1963.

SECTION 2.06: PUBLIC TRANSPORTATION FACILITY

"Public transportation facility" means all property, real and personal, which enhances the effectiveness of a public transportation system and is functionally related to a public transportation system or which creates new or enhanced coordination between public transportation and other forms of transportation, including street railways, motor buses, tramlines, subways, monorails, rail rapid transit facilities, tunnels, bridges, and parking facilities and other property owned or leased by the public authority for which the public authority is eligible for federal assistance as administered by the United States Department of Transportation, or its successor entities.

SECTION 2.07: PUBLIC TRANSPORTATION SYSTEM

"Public transportation system" means a system for providing public transportation service, including public transportation facilities.

SECTION 2.08: REVENUE

"Revenue" means money received by the public authority as provided in Chapter 9 of these Articles of Incorporation.

SECTION 2.09: TAXABLE PROPERTY

"Taxable property" means the property taxable under the general property tax act, Act No. 206 of the Public Acts of 1893, being sections 211.1 to 211.157 of the Michigan Compiled Laws, as amended, except for property expressly exempted under that act.

CHAPTER 3: FORMATION

SECTION 3.01: CREATION; NAME OF THE AUTHORITY

The County of Kalamazoo, through an affirmative vote of a majority of the members elected to and serving on the Kalamazoo County Board of Commissioners hereby forms a public transportation authority which shall be named the "Kalamazoo County Transportation Authority."

SECTION 3.02: JURISDICTIONAL BOUNDARIES

The jurisdictional boundaries of the Kalamazoo County Transportation Authority is the geographical area known as the

County of Kalamazoo and includes the territory within all political subdivisions within Kalamazoo County.

SECTION 3.03: ENDORSEMENT AND PUBLICATION

The Kalamazoo County Clerk/Register shall endorse these Articles of Incorporation after their adoption by the Kalamazoo County Board of Commissioners and shall publish these Articles of Incorporation in a newspaper of general circulation throughout the County on a date at least 10 days after the adoption of the Articles of Incorporation, but not more than 30 days after the adoption of the Articles of Incorporation.

SECTION 3.04: RECORDING THE ARTICLES OF INCORPORATION

The Kalamazoo County Clerk/Register shall file a printed copy of these Articles of Incorporation in the Kalamazoo County Clerk/Register's Office, with the Michigan Secretary of State, and the director of the Michigan Department of Transportation.

SECTION 3.05: EFFECTIVE DATE

The Kalamazoo County Transportation Authority shall become operative, and these Articles of Incorporation shall become effective, 30 days after they are filed in the Kalamazoo County Clerk/Register's Office, with the Michigan Secretary of State, and the director of the Michigan Department of Transportation.

SECTION 3.06: VALIDITY PRESUMED

The incorporation of the Kalamazoo County Transportation Authority is conclusively presumed to be valid unless questioned in a court of competent jurisdiction within 60 days after the publication of these Articles of Incorporation.

SECTION 3.07: SEVERABILITY

The requirements and the various chapters, parts, sections, and clauses of these Articles of Incorporation are severable. If a court of competent jurisdiction determines that any chapter, part, sentence, paragraph, section or clause is unconstitutional or invalid, the remaining chapters, parts, portions and provisions of these Articles of Incorporation shall remain in full force and effect.

**CHAPTER 4: KALAMAZOO COUNTY TRANSPORTATION
AUTHORITY BOARD; MEMBERSHIP; REMOVAL; VACANCIES;
INTEREST OF MEMBERS IN CONTRACTS**

SECTION 4.01: Subject to Section 4.02 of these Articles of Incorporation, the Board shall consist of nine (9) members. The Kalamazoo County Board of Commissioners shall appoint the Board members. The term of office of Board members shall be three (3) years. The first three (3) Members of the first Board shall be appointed for terms of 1 year, The second three (3) Members of the first Board shall be appointed for terms of 2 years, The final three (3) Members of the first Board shall be appointed for terms of 3 years and annually thereafter three (3) Members shall be appointed for terms of three (3) years.

SECTION 4.02: All Board members shall be residents of Kalamazoo County and should be representative of public transportation interests, as they exist in the County.

SECTION 4.03: The Kalamazoo County Board of Commissioners may, upon a 2/3rds vote of the elected and serving members of the Board of Commissioners, remove a Board member prior to the expiration of that member's term of office. Subject to the provisions of Section 4.02, a vacancy in office shall be filled by the appointing authority for the remainder of the unexpired term.

SECTION 4.04: Members of the Board shall serve without compensation.

SECTION 4.05 A Board member may not have a financial interest, direct or indirect, in any contract with the Authority, except as permitted by law, including but not limited to Act 317 of the Public Acts of 1968, as amended (being MCL 15.321.et seq.).

CHAPTER 5: PUBLIC AUTHORITY; PUBLIC MEETINGS; NOTICE; RULES; RECORD; QUORUM; WRITINGS; OFFICERS AND EMPLOYEES; COMPENSATION

SECTION 5.01: The business that the Public Authority may perform shall be conducted at a public meeting of the Public Authority held in compliance with the Open Meetings Act, Act No. 267 of the Public Acts of 1976, as amended, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976, as amended. The Public Authority shall meet at regular intervals. It shall adopt its own rules of procedure and shall keep a record of the proceedings. Five members shall constitute a quorum for the transaction of business.

SECTION 5.02: A writing prepared, owned, used, in the possession of, or retained by the Public Authority in the performance of an official function shall be made available to the public in compliance with the Freedom of Information Act, Act No. 442 of the Public Acts of 1976, as amended, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

SECTION 5.03

The Board of the Public Authority shall elect a chairperson, vice-chairperson and other officers as designated by the Board. The Public Authority may employ and fix the compensation of a Director, who may also serve as secretary, and other employees as necessary. The Kalamazoo County Board of Commissioners may adopt a resolution which conditions the establishment of any compensation of a Public Authority Board Officer or employee upon the approval of the Governing Body or which establishes compensation ranges and classifications which the Public Authority Board must use in fixing the compensation of its officer and employees. The Public Authority shall prescribe the duties of its offices and employees and shall transfer to its officers and director those functions and that authority which the Board has prescribed. The Public Authority may employ engineers, architects, attorneys, accountants, and other professional consultants when necessary.

CHAPTER 6: PUBLIC AUTHORITY; POWERS AND DUTIES

SECTION 6.01

The Public Authority may plan, promote, finance, acquire, improve, enlarge, extend, own, construct, operate, maintain, replace, and contract for public transportation service by means of 1 or more public transportation systems and public transportation facilities.

SECTION 6.02:

The Public Authority is a public benefit agency and instrumentality of the State of Michigan with all the powers of a public corporation, to accomplish its purposes and to control, operate, administer, and exercise the franchise of the public transportation system and public transportation facilities, as they may exist. The governing body of the member(s) of the Public Authority may loan or grant funds to the Commission for its operating costs.

SECTION 6.03:

The Public Authority has the power to sue and be sued in any court of the state and shall be considered to be an agency of the state.

SECTION 6.04:

The Public Authority may adopt bylaws and rules of administration to accomplish its mission as a Public Transportation Authority.

SECTION 6.05:

The Public Authority may provide public transportation service and public transportation facilities within or without the boundaries of the public authority as provided in Act No. 51 of the Public Acts of 1951, being sections 247.651 to 247.674 of the Michigan Compiled Laws, except that the Public Authority may not provide public transportation service in an area within the boundaries of another authority formed under Michigan law without the agreement and consent of the other authority.

SECTION 6.06:

The Public Authority may acquire and hold, by purchase, lease, grant, gift, devise, land contract, installment purchase contract, bequest, condemnation, or other legal means, real and personal

property, including, franchises, easements, or rights of way on, under, or above any property within or without the boundaries of the Public Authority as provided in Act No. 51 of the Public Acts of 1951, and pay for the same from or pledge for the payment thereof, revenue of the Public Authority. Subject to reasonable use, the Public Authority may use space and areas over, under, and upon the public streets and highways to carry out its duties.

SECTION 6.07: The Public Authority may ask appropriate political subdivisions to begin condemnation proceedings.

SECTION 6.08: The Public Authority may apply for and accept grants, loans, or contributions from the federal government or any of its agencies, the state or other public or private agencies to be used for any of the purposes of these Articles of Incorporation and to do any and all things within its express or implied powers necessary or desirable to secure that financial or other aid or cooperation in the carrying out of any of the purposes set forth in these Articles of Incorporation and/or to accomplish its mission as a Public Transportation Authority.

SECTION 6.09: The Public Authority may sell, lease, or use any property acquired for the purposes set forth in these Articles of Incorporation and/or to accomplish its mission as a Public Transportation Authority but not needed for those purposes, and lease advertising space and grant concessions for the sale of newspapers and other articles and for services on or in any portion of the property under the jurisdiction of the Public Authority.

SECTION 6.09: The Public Authority may grant to utilities, public or privately owned, the right to use the property or any part of the property of the Public Transportation Authority's public transportation facilities. The Public Authority may also grant to any other public authority formed under Act No. 196 of the Public Acts of 1986, the right to use any part of the public transportation facilities.

SECTION 6.10: The Public Authority may contract with any other transportation authority or political subdivision of the state or another state or any agency or instrumentality of the state or another state or another nation or private corporation or person for service contracts, joint use contracts, or contracts for the construction or operation of any part of the public transportation facilities.

SECTION 6.11: The Public Authority may investigate transportation requirements, needs, and programs and engage by contract consultants as may be necessary and cooperate with the federal government, state, political subdivisions, and other authorities or transportation agencies in those investigations.

SECTION 6.12: The Public Authority may have employees, attorneys, accountants, and consultants, as the Board considers necessary to carry out the purposes of the Public Authority.

SECTION 6.13: The Public Authority may lend money derived from the revenues of the Public Authority to any persons, corporations, or associations, public or private, for the purpose of financing qualified mass commuting vehicles, as defined in the internal revenue code that will be leased or sold to the Public Authority and to sell and lease or purchase back mass commuting vehicles, as defined in the internal revenue code.

SECTION 6.14: The Public Authority may impose and collect rents, charges, fees or fares from users of public transportation services or public transportation facilities.

SECTION 6.15: The Public Authority may exercise all other powers incidental, necessary, or convenient for the exercise of the powers set forth in these Articles of Incorporation and/or to accomplish its mission as a Public Transportation Authority.

CHAPTER 7: COLLECTIVE BARGAINING AGREEMENTS; ACQUISITION AND REINCORPORATION OF PUBLIC TRANSPORTATION SYSTEM; RETIREMENT SYSTEMS; MILITARY LEAVES

SECTION 7.01: The Public Authority shall have the right to collectively bargain and enter into agreements with labor organizations pursuant to Act No. 336 of the Public Acts of 1947, being sections 423.201 to 423.216 of the Michigan Compiled Laws.

SECTION 7.02: Upon acquisition or reincorporation of a public transportation system, the Public Authority shall assume and be bound by any existing collective bargaining agreements applicable to that system for the remainder of the term of that agreement, and, except where the existing collective bargaining agreement may otherwise permit, shall retain the employees covered by that collective bargaining agreement. The acquisition or reincorporation of a public transportation system by the Public Authority shall not adversely affect any existing rights and obligations contained in the existing collective bargaining agreement.

SECTION 7.03: Members and beneficiaries of any pension or retirement system established by the existing public transportation system shall continue to have the same rights, privileges, benefits, obligations, and status under the Public Authority.

SECTION 7.04 If an existing collective bargaining agreement is expiring at the time of acquisition or reincorporation of a public transportation system, the acquisition or reincorporation does not affect the obligation of

each of the parties to bargain collectively pursuant to the requirements of Act No. 336 of the Public Acts of 1947.

SECTION 7.05: Employees who left the employ of the acquired public transportation system to enter military services of the United States shall have the same rights as to the public transportation system established by the Public Authority pursuant to Act No. 263 of the Public Acts of 1951, being sections 35.351 to 35.356 of the Michigan Compiled Laws, as they would have had under the acquired public transportation system.

CHAPTER 8: EXEMPTION FROM MOTOR CARRIER ACT

SECTION 8.01: In the exercise of its powers within its boundaries, the Public Authority is exempt from the Motor Carrier Act, Act No. 254 of the Public Acts of 1933, being sections 475.1 to 479.20 of the Michigan Compiled Laws; Act No. 3 of the Public Acts of 1939, being sections 460.1 to 460.8 of the Michigan Compiled Laws; and Act No. 42 of the Public Acts of 1982, being sections 474.101 to 474.141 of the Michigan Compiled Laws.

CHAPTER 9: PUBLIC TRANSPORTATION SERVICE, FINANCING

SECTION 9.01: The Public Authority may finance public transportation service, including any public transportation system and public transportation facilities, by any 1 or more of the following means:

(a) By service charges, fees, or fares to users of the public transportation services.

(b) By funds disbursed by the state to the Public Authority and usable by the Public Authority.

(c) By any other income or revenue, including appropriations or contributions, or other revenue of the members of the Public Authority and any political subdivisions.

(d) By grants, loans, appropriations, payments, or contributions from the federal government, the state of Michigan, another state or governmental units and grants, contributions, gifts, devises, or bequests from public or private sources.

(e) By proceeds of ad valorem taxes, special assessments, or charges imposed pursuant to law and collected by the state or a political subdivision or the Public Authority and returned or paid to the Public Authority pursuant to law or contract.

(f) By proceeds of an income tax as may be provided by law.

(g) By issuances of bonds or notes as provided by Act No. 196 of the Public Acts of 1986, being sections 124.451 to 124.479 of the Michigan Compiled Laws.

(h) By means of land contracts, installment purchase contracts, or leases as by Act No. 196 of the Public Acts of 1986, being sections 124.451 to 124.479 of the Michigan Compiled Laws.

**CHAPTER 10: TAX LEVY; LIMITS; VOTER APPROVAL; LEVYING;
COLLECTING**

SECTION 10.01: The Public Authority may levy a tax on all of the taxable property within the jurisdictional limits/boundaries of the Public Authority for public transportation purposes as provided by Act No. 196 of the Public Acts of 1986, being sections 124.451 to 124.479 of the Michigan Compiled Laws.

SECTION 10.02: The tax authorized in Section 10.01 shall not exceed 5 mills of state equalized valuation on each dollar of assessed valuation of taxable property within the limits of the Public Authority.

SECTION 10.03: The tax authorized in Section 10.01 shall not be levied except upon the approval of a majority of the registered electors residing in the Public Authority affected and qualified to vote and voting on the tax at a general or special election. The election may be called by resolution of the Board of the Public Authority. The recording officer of the Public Authority shall file a copy of the resolution of the Board calling the election with the clerk of each affected county, city or township not less than 60 days before the date of the election. The resolution calling the election shall contain a statement of the proposition to be submitted to the electors. Each county, city, and township clerk and all other county, city, and township officials shall undertake those steps to properly submit the proposition to the electors of the county, city, and township at the election specified in the resolutions of the Public Authority. The election shall be conducted and canvassed in accordance with the Michigan Election Law, Act No. 116 of the Public Acts of 1954, being sections 168.1 to 168.992 of the Michigan Compiled Laws, except that if the Public Authority expands to include more than one county, the results shall be canvassed by the state board of canvassers. The results of the election shall be certified to the Public Authority Board promptly after the date of the election. Not more than 1 election may be held in the Public Authority in a calendar year for approval of the tax authorized under Section 10.01. If the election is a special election, the Public Authority shall pay its share of the costs of the election.

SECTION 10.04: The taxes authorized by Section 10.01 may be levied at a rate and for a period of not more than 5 years as determined by the Public

Authority in the resolution calling the election and as shall be set forth in the proposition submitted to the electors.

SECTION 10.05: The tax rate authorized under this Chapter shall be levied and collected as are all ad valorem property taxes in the state and the recording officer of the Public Authority shall at the appropriate times certify to the proper tax assessing or collecting officers of each tax collecting county, city and township the amount of taxes to be levied and collected each year by each county, city, and township. Consistent with the provisions of Section 10.06, the Public Authority Board shall determine on which tax roll, if there be more than 1, of each county, city or township that the taxes authorized by this Chapter shall be collected. Each tax assessing and collecting officer and each county treasurer shall levy and collect the taxes certified by the Public Authority and pay those taxes to the Public Authority by the time provided in section 43 of the general property tax act, Act No. 206 of the Public Acts of 1893, being section 211.43 of the Michigan Compiled Laws. The tax rate authorized by this Chapter may be first levied by the Public Authority as a part of the first tax roll of the appropriate counties, cities, and townships occurring after the election described in Section 10.03. The tax may be levied and collected on the July or December tax roll next following the date of election, if the tax is certified to the proper tax assessing officials not later than May 15 or September 15, respectively, of the year in which the election takes place.

SECTION 10.06: If the Public Authority receives authorization to impose a July property tax levy and if it determines to do so, it shall negotiate agreements with the appropriate cities and townships for collection of that levy. If a city or township and the Public Authority fail to reach an agreement for the collection by the city or township of the July property tax levy of the Public Authority, the Public Authority then may negotiate, until April 1, a proposed agreement with the county treasurer to collect its July property tax levy against property located in that city or township. If the county treasurer and the Public Authority fail to reach an agreement for the collection by the county of the July property tax levy of the Public Authority, the July property tax levy shall be collected with the December property tax levy. Any agreement negotiated under this Section shall guarantee the collecting unit its reasonable expenses. The provisions of this Section shall not apply to a city or township which is levying a July property tax.

SECTION 10.07: If, pursuant to Section 10.06, the Public Authority reaches a proposed agreement with a county treasurer on the collection of its July property tax levy against property located in a city or township with which an agreement to collect this levy could not be made pursuant to Section 10.06, the Public Authority shall notify by April 15 that city or township of the terms of that fact and the city or

township shall have 15 days in which to exercise an option to collect the Public Authority's July tax levy.

SECTION 10.08: Collection of all or part of the Public Authority's property tax levy by a treasurer pursuant to Section 10.06 or 10.07 shall comply with all of the following:

(a) Collection shall be either $\frac{1}{2}$ or the total of the property tax levy against the properties, as specified for that year in the Public Authority's resolution.

(b) The amount the Public Authority has agreed to pay as reasonable collection expenses shall be stated in writing and reported to the state treasurer.

(c) Taxes authorized to be collected shall become a lien against the property on which assessed, and due from the owner of that property on July 1.

(d) Taxes shall be collected on or before September 14 and all taxes and interest imposed pursuant to subdivision (f) of this Section unpaid before March 1 shall be returned as delinquent on March 1. Taxes delinquent under this subdivision shall be collected pursuant to Act No. 206 of the Public Acts of 1893.

(e) Interest shall be added to taxes collected after September 14 at a rate imposed by section 59 of Act No. 206 of the Public Acts of 1893, being section 211.59 of the Michigan Compiled Laws, on delinquent property tax levies which became a lien in the same year.

(f) All or a portion of the fees and charges, or both, authorized under section 44 of Act No. 206 of the Public Acts of 1893, being section 211.44 of the Michigan Compiled Laws, may be imposed upon taxes paid before March 1 and shall be retained by the treasurer actually performing the collection of the July property tax levy of the Public Authority, regardless of whether all or part of these fees or charges, or both, have been waived by the township or city.

SECTION 10.09: An agreement for the collection of a July property tax levy of the Public Authority with a county treasurer shall include a schedule for delivering collections to the Public Authority.

SECTION 10.10: To the extent applicable and consistent with the requirements of this Chapter, the provisions of Act No. 206 of the Public Acts of 1893, shall apply to proceedings in relation to the assessment, spreading, and collection of taxes pursuant to this Chapter. Additionally, in relation to the assessment, spreading, and collection of taxes pursuant to this Chapter, the county treasurer

shall have powers and duties similar to those prescribed by Act No. 206 of the Public Acts of 1893, for township supervisors, township clerks, and township treasurers. However, this Section 10.10 shall not be considered to transfer any authority over the assessment of the property.

SECTION 10.11: If a county treasurer collects the July property tax levy of the Public Authority, the township or city shall deliver by June 1 a certified copy of the assessment roll containing state equalized valuations for each parcel of taxable property in the township or city to the treasurer collecting the July property tax levy of the Public Authority. The county treasurer receiving this certified copy of the assessment roll shall remit the necessary cost incident to the reproduction of the assessment roll to the township or city.

SECTION 10.12: A county treasurer collecting taxes pursuant to this Chapter shall be bonded for tax collection in the same amount and in the same manner, as a township treasurer would be for undertaking the duties prescribed by this Chapter.

SECTION 10.13: An agreement for the collection of the July property tax levy between the Public Authority and a county may cover July collections for 2 years. If an agreement covers July collections for 2 years, the notice required by Section 10.07 and the option to reconsider provided by Section 10.07 shall not apply to tax collections in the second year.

SECTION 10.14: If collections are made pursuant to this Chapter by a county treasurer, all payments from the Public Authority for collecting its July property tax levy and all revenues generated from collection fees shall be deposited, when received or collected, in a fund, which fund shall be used by the county treasurer to pay for the cost of collecting the July property tax levy.

CHAPTER 11: PUBLIC AUTHORITY MEMBER; TAX LEVY; LIMITATIONS

SECTION 11.01 Any member of the Public Authority or a political subdivision otherwise granted taxing authority under state law may levy a tax on all of the taxable property within the limits of the political subdivision, and appropriate, grant, or contribute the proceeds of the tax to the Public Authority for public transportation purposes as authorized by Act No. 196 of the Public Acts of 1986, or to provide sufficient money to fulfill its contractual obligations to the Public Authority under Chapter 12, which tax shall be within charter, statutory, and constitutional limitations.

CHAPTER 12: PAYMENTS, APPROPRIATIONS, OR CONTRIBUTIONS; PLEDGING FULL FAITH AND CREDIT; ISSUANCE OF NOTES AND BONDS; TAX RATES

SECTION 12.01: Any member of the Public Authority or a political subdivision may contract with the Public Authority to make payments, appropriations, or contributions to the Public Authority of the proceeds of taxes, special assessments or charges imposed or collected by the political subdivision or out of any other funds legally available.

SECTION 12.02: Any member of the Public Authority or a political subdivision may pledge its full faith and credit for payment of its contractual obligation to the Public Authority.

SECTION 12.03: If the Public Authority has issued notes or bonds in anticipation of payments, appropriations, or contributions to be made to the Public Authority pursuant to a contract by a member of the Public Authority or a political subdivision, the political subdivision may levy a tax, subject to all appropriate statutory and constitutional requirements, on all taxable property in the political subdivision to provide sufficient money to fulfill its contractual obligations to the Public Authority, which tax as to rate or amount will be provided in section 6 of article IX of the state constitution of 1963.

SECTION 12.04: Any member of the Public Authority or a political subdivision desiring to enter into a contract pursuant to Section 12.01 shall authorize by resolution of its governing body the execution of the contract.

SECTION 12.05: Any political subdivision that becomes a member of the Public Authority under the provisions of Act No. 196 of the Public Acts of 1986, and, before the effective date of its membership, has authorized the levy of a tax to provide money for public transportation purposes or has imposed or collected special assessments or charges for public transportation purposes may levy or impose and collect the tax or special assessment or charges and contract with the Public Authority to make payments, appropriations, or contributions to the Public Authority of the proceeds of the taxes, special assessments, or charges, subject to the conditions of the original authorization.

CHAPTER 13: AUDITS; BUDGETS; DEFICITS

SECTION 13.01: The Public Authority shall obtain an annual audit in accordance with sections 6 to 13 of Act No. 2 of the Public Acts of 1968, being sections 141.426 to 141.433 of the Michigan Compiled Laws. The audit shall also be in accordance with the generally accepted government auditing standards as promulgated by the United States General Accounting Office and satisfy federal regulations relating to federal grant compliance audit requirements. A copy of the annual audit shall be filed with the state treasurer in accordance with section 4(2) of Act No. 2 of the Public Acts of 1968, being section 141.424 of the Michigan Compiled Laws and a copy shall

be filed with the Michigan Department of Transportation in accordance with section 10(h)(2) of Act No. 51 of the Public Acts of 1951, being section 247.660h of the Michigan Compiled Laws.

SECTION 13.02: The Public Authority shall prepare budgets and appropriations acts in accordance with sections 14, 15(1)(a) to 15(1)(g), 15(1)(i), 15(2), 16, 17, 18, and 19 of the Uniform Budget Act, Act No. 2 of the Public Acts of 1968, being sections 141.434 to 141.439 of the Michigan Compiled Laws.

SECTION 13.03: If ending a fiscal year in a deficit condition, the Public Authority shall file a financial plan to correct the deficit condition in the same manner as provided in section 21(2) of Act No. 140 of the Public Acts of 1971, being section 141.921 of the Michigan Compiled Laws. The Public Authority shall also file a copy of the financial plan with the Michigan Department of Transportation.

CHAPTER 14: BORROWING MONEY AND ISSUING NOTES IN ANTICIPATION OF TAX OR REVENUE COLLECTIONS

SECTION 14.01: The Public Authority may, by resolution of the Public Authority Board, borrow money and issue its notes and bonds in anticipation of the collection of taxes and other revenues for its then next succeeding fiscal year, or the taxes or other revenue for its current fiscal year to provide funds for operating purposes or for capital purposes related to public transportation facilities.

CHAPTER 15: NOTES AND BONDS; ADDITIONAL PROVISIONS; REPAYMENT OR PAYMENT

SECTION 15.01: The Public Authority may borrow money and issue notes and bonds to acquire, construct, or purchase public transportation facilities and to otherwise finance and carry out its powers and duties. The notes and bonds may pledge, be payable from, and may be issued in anticipation of payment of the proceeds of any of the methods of financing described in these Articles of Incorporation or as may be provided by law.

SECTION 15.02: The Public Authority may issue bonds or notes at any time to retire, fund, or refund, in whole or in part, outstanding bonds or notes issued pursuant to Act No. 196 of the Public Acts of 1986, or as provided for under these Article of Incorporation, or for transportation purposes under any other Act including the payment of interest accrued, or to accrue, to the earliest or any subsequent date of redemption, purchase, or maturity of the bonds or notes, whether the bonds or notes to be refunded have matured or are redeemable or shall at a later date mature or become redeemable. If considered advisable by the Public Authority, it may issue bonds or notes partly to refund outstanding bonds or notes and partly for

any other purpose contemplated by Act No. 196 of the Public Acts of 1986, or as provided for under these Article of Incorporation.

SECTION 15.03: Bonds and notes issued pursuant to Chapter 14 or this Chapter may be issued pursuant to and shall be subject to the revised municipal finance act, 2001 PA 34, being sections 41.2101 to 141.2821c of the Michigan Compiled Laws.

SECTION 15.04: The Public Authority Board, by resolution, shall provide for the issuance of the notes or bonds for the purpose of paying part or all of the cost of the public transportation facilities or authorized programs, which cost may include an allowance for legal, engineering, architectural, and consulting services; interest on the bonds or notes coming due before the collection of the first payment of the interest as determined by the Public Authority; a debt service reserve; and other necessary incidental expenses. Principal of, and interest and redemption premiums on, the bonds or notes issued under this Chapter shall be payable solely from revenue, other sources described in this Chapter, or otherwise described in Act No. 196 of the Public Acts of 1986, or as provided for under these Article of Incorporation. Any interest shall be payable on the dates as determined in the resolution authorizing the issuance of the bonds or notes. The Public Authority Board, in the resolution authorizing the issuance of the bonds or notes, shall determine the principal amount of the bonds or notes to be issued, the registration provisions, the bond or note denominations, the bond or note designations, the rights of prior redemption of the bonds or notes at the option of the Public Authority or the holders of the bonds or notes, the maximum rate of interest, the method of execution of the bonds or notes, and any other provision respecting the bonds or notes, the rights of the holders of the bonds or notes, the security for the bonds or notes, and the procedures for disbursement of the bond or note proceeds and for the investment of the proceeds of the bonds or notes and money for the payment of bonds or notes. The Public Authority Board, in the authorizing resolution, may provide for the terms and conditions upon which the holders of the bonds or notes, or any portion of the bond or noteholders or any trustee for the bond or noteholders, shall be entitled to the appointment of a receiver. The resolution authorizing the bonds or notes may provide for the appointment of a trustee for the bond or noteholders, may give to the trustee the appropriate rights, duties, remedies, and powers, with or without the execution of a deed of trust and mortgage, necessary and appropriate to secure the bonds or notes.

SECTION 15.05: All bonds and notes and interest coupons attached to the bonds or notes are declared to be fully negotiable and to have all of the qualities incident to negotiable instruments under the uniform commercial code, Act No. 174 of the Public Acts of 1962, being sections 440.1101 to 440.22202 of the Michigan Compiled Laws,

subject only to the provisions for registration of the bonds or notes which may appear on the bonds or notes.

SECTION 15.06: The property of the Public Authority, its income and operation, and any vendor, vendee, lessor, and lessee interest in any property sold or leased pursuant to Chapter 16 shall be exempt from all taxation by the State of Michigan or any of its political subdivisions and all bonds and notes of the Public Authority, the interest of the bonds and notes, and their transfer shall be exempt from all taxation by the State of Michigan or any of its political subdivisions.

SECTION 15.07: The Public Authority may issue additional bonds or notes with respect to the pledge of the revenues with previously issued bonds or notes of the Public Authority for the purpose and under the terms and conditions provided in the resolution authorizing the previous issue of bonds. The Public Authority may enter into agreements with the holders of the bonds or notes or with others for the bonds or notes to be delivered to the Public Authority or others before the stated maturities of the bonds or notes.

SECTION 15.08: The State of Michigan, a political subdivision of the state, or a private corporation, partnership, or individual may advance money or deliver property to the Public Authority to finance or carry out its powers and duties. The Public Authority may agree to repay the advances or pay for the property within a period not exceeding 40 years, from the proceeds of its bonds or notes or from other funds legally available for its use, with or without interest as may be agreed at the time of the advance or repayment. The Public Authority's obligation to make the repayment or payment may be evidenced by a contract or note or notes, which contract or note may pledge the full faith and credit of the Public Authority, but the contract or note shall not be an obligation within the meaning of the revised municipal finance act, Act No. 34 of the Public Acts of 2001, being sections 141.2101 to 141.2821 of the Michigan Compiled Laws.

CHAPTER 16: LENDING MONEY; FINANCING ARRANGEMENTS

SECTION 16.01: The Public Authority may lend money including money derived from the proceeds of the sale of its bonds or notes to another public authority, a political subdivision, any other public entity, or a private corporation, partnership, or individual for purpose of financing qualified mass commuting vehicles, as defined in the internal revenue code, that will be leased or sold to the Public Authority and to sell or lease or to purchase back mass commuting vehicles, as defined in the internal revenue code. For that purpose, the Public Authority may borrow money and issue bonds or notes, enter into loan agreements, leases, or purchase agreements and any other agreements including indemnification agreements as are necessary

or appropriate in the judgment of the Public Authority Board to accomplish the provisions of this Chapter.

CHAPTER 17: REVENUES PLEDGED FOR PAYMENT OF DEBT; ADDITIONAL PROVISIONS

SECTION 17.01: The revenues pledged for payment of debt service on bonds or notes shall be and remain subject to a statutory lien until the payment in full of the principal and interest on the bonds or notes unless the resolution authorizing the issuance of the bonds or notes provides for earlier discharge of the lien by substitution of other security. The pledge of revenues and any statutory lien that exists for the payment of debt services on bonds or notes shall be effective for all purposes without delivery of any evidence in this regard or any recording.

CHAPTER 18: INVESTMENT OF MONEY; INVESTMENT INCOME; SPECIAL PURPOSES

SECTION 18.01: The Public Authority may invest any of its money in direct obligations of the United States and obligations the principal and interest of which are unconditionally guaranteed by the United States.

SECTION 18.02: The Public Authority may invest any of its money in certificates of deposit issued or bank accounts in any bank, trust company, or savings institution whose deposits are insured by the federal deposit insurance corporation or federal savings and loan insurance company.

SECTION 18.03: The Public Authority may invest any of its money in prime commercial paper having the highest rating given by a rating service, which the Department of Treasury determines, rates the majority of the bond and note issues of the state.

SECTION 18.04 The Public Authority may invest any of its money in repurchase agreements with any bank or trust company which is member of federal deposit insurance corporation and which are secured by any types of securities which are obligations described in Sections 18.01 to 18.03 of these Articles of Incorporation.

SECTION 18.05 The Public Authority may use investment income for any purpose for which other money of the Public Authority may be used and may be pledged or dedicated in whole or in part to a special purpose including payment of debt service on bonds or notes.

CHAPTER 19: NOTES AND BONDS AS SECURITIES

SECTION 19.01 The notes and bonds of the Public Authority are securities in which the public officers and bodies of this state, municipalities, and

municipal subdivisions, insurance companies, associations, and other persons carrying on an insurance business, banks, trust companies, savings banks and savings associations, savings and loan associations, investment companies, and administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are authorized to invest in bonds or other obligations of the state may properly and legally invest funds.

CHAPTER 20: AMENDMENTS TO THE ARTICLES OF INCORPORATION

SECTION 20.01: The Kalamazoo County Board of Commissioners may amend these Articles of Incorporation. All amendments must comply with applicable state and federal laws.

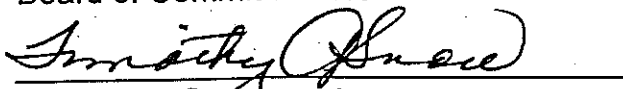
SECTION 20.02 All amendments to the Articles of Incorporation must be executed by the recording officer of the Kalamazoo County Board of Commissioners and be filed and published in the same manner as the original Articles of Incorporation.

COUNTY OF KALAMAZOO



David Buskirk
Chairperson, Kalamazoo County
Board of Commissioners

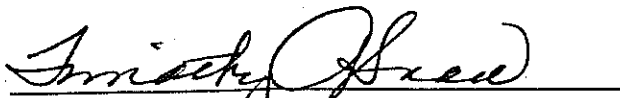
Date: July 3, 2007



Timothy A. Snow
County Clerk/Register

Date: July 3, 2007

The foregoing articles of incorporation were amended by an affirmative vote of the majority of the members serving on the governing or legislative body of the County of Kalamazoo at a meeting held on the 3rd day of July, A.D. 2007.



Timothy A. Snow
County Clerk/Register

Date: July 3, 2007