

**RESTATED ARTICLES OF INCORPORATION  
OF  
MICHIGAN MAGNET FUND I  
(A Michigan Nonprofit Corporation)**

Pursuant to the provisions of Act 162, Public Acts of 1982, as amended (“Michigan Nonprofit Corporation Act”), the undersigned Corporation executes the following Restated Articles.

1. The present name of the Corporation is Michigan Magnet Fund I.
2. The identification number assigned by the Bureau is : 162-1982.
3. All former names of the Corporation are: Michigan Magnet Fund.
4. The date of filing the original Articles of Incorporation was: August 27, 2003.

The following Restated Articles of Incorporation supersede the Articles of Incorporation, as amended and shall be the Articles of Incorporation for the Corporation:

**ARTICLE I**

The name of the corporation (the “Corporation”) is **MICHIGAN MAGNET FUND I.**

**ARTICLE II**

The period of duration of the Corporation is perpetual.

**ARTICLE III**

The address, including street, number, city, and county of the registered office of the Company in the State of Michigan is 300 North Washington Square, Lansing, County of Ingham, State of Michigan, United States. The name of the registered agent of the Company in the State of Michigan at such address is Jeffrey A. Kaczmarek.

**ARTICLE IV**

The principal office of the Corporation and all or substantially all of the operations and employees of the Company shall at all times be located in the State of Michigan.

## ARTICLE V

The purposes for which the Corporation is organized and operated are to engage exclusively in such charitable and educational activities as may qualify it for exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or corresponding provisions of subsequent federal tax laws) (the "Code") not inconsistent with these Articles, the Michigan Nonprofit Corporation Act or other applicable law. The specific purposes ("Specific Purposes") for which the Corporation is organized include:

A. To promote economic development and creation of wealth and job opportunities in low-income communities within the State of Michigan and among low-income persons residing in such low-income communities consistent with requirements as set forth in the New Markets Tax Credit Program created by the Community Renewal Tax Relief Act of 2000, as amended (the "CRTRA").

B. To promote and facilitate investment of private and public capital in the form of equity or loans and provide operational assistance (either directly or through third parties) to individuals, small businesses and organizations located in low-income communities within the State of Michigan, including but not limited to commercial real estate projects, retail and wholesale businesses, service providers and business incubators in accordance with the requirements of the CRTRA.

C. To maintain accountability to residents of low-income communities within the State of Michigan through representatives on a Board of Directors or an advisory board(s) which represents low-income communities in accordance with the requirements of the CRTRA.

D. To increase public awareness and policy debate to facilitate self-determination and empowerment of residents of low-income communities within the State of Michigan;

E. To serve as a model in the United States and internationally for the private and public sectors as a means to promote resource distribution and focus policies for more equitable social and economic justice.

In furtherance of the above, the Corporation shall have the power to (i) solicit and accept donations of funds or property, whether real or personal, or any interest therein, wherever situated, (ii) maintain control and discretion over the use of funds received by the Corporation, and (iii) monitor the use of funds made available by the Corporation to assure that the funds are used in conformity with the intended purposes and to do any and all lawful acts that may be necessary, useful, suitable, or proper for the furtherance of accomplishment of the foregoing Specific Purposes of the Corporation.

## **ARTICLE VI**

The Corporation is organized upon a non-stock, directorship basis.

## **ARTICLE VII**

The business and affairs of the Corporation shall be under the management and strategic direction of a Board of Directors which shall number between seven (7) and seventeen (17) natural persons. A Director shall hold office for a term of one year. Vacancies existing by reason of resignation, death, incapacity or removal before the expiration of his or her term of office shall be filled by the remaining Directors. Directors will elect their successors. A Director elected to fill a vacancy shall be elected for the unexpired term of that Director's predecessor in office. No Director shall have any right, title, or interest in or to any property of the Corporation. All actions of the Board of Directors, including election of Directors, shall require the vote or written consent of a majority of the Directors.

A Director must be a resident of the State of Michigan at all times during his or her term of office. A majority of the total number of Directors must be approved by the Michigan State Housing Development Authority (MSHDA). One (1) Director must be approved by the Michigan Economic Development Corporation (MEDC). Either MEDC or MSHDA may withdraw their approval of a Director at any time with or without cause and without prior notice. At least twenty (20%) percent of the total number of Directors shall represent low-income communities in accordance with the requirements of the CRTRA. A Director for whom approval is withdrawn by MEDC or MSHDA or who fails to meet the other qualification requirements as set forth in this Article shall resign with immediate effect from the Board of Directors.

The Directors may appoint an advisory board of such total number of persons as determined by the Directors. At least twenty percent (20%) of the total number of the natural persons on the advisory board shall represent low-income communities in accordance with the requirements of the CRTRA.

## **ARTICLE VIII**

The Corporation does not own any real or personal property at the present time. The Corporation shall be funded by contributions, donations, grants and other bequests from individuals, organizations and other entities, both public and private, and other sources, which may be available.

## **ARTICLE IX**

The internal affairs of the Corporation shall be regulated by the Bylaws. The power to amend or repeal the Bylaws shall be vested in the Board of Directors except to the extent otherwise provided by law.

## **ARTICLE X**

At all times, notwithstanding merger, consolidation, reorganization, termination, dissolution, or winding up of the Corporation, whether voluntary or involuntary or by operation of law, or any other provision of these Articles:

A. The Corporation is irrevocably dedicated to and operated exclusively for nonprofit purposes; and no part of the income, assets, or the net earnings of the Corporation shall be distributed to, nor inure to the benefit of, any individual, including but not limited to the Corporation's Directors, officers, or other private persons, except that the Corporation shall be authorized and empowered (subject to the requirements of the Michigan Nonprofit Corporation Act) to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its exempt purposes.

B. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal income taxation under Code Section 501(c)(3), or (2) by a corporation, contributions to which are deductible under Code Section 170(c)(2).

C. Notwithstanding any other provision of these Articles, if at any time or times the Corporation is a private foundation within the meaning of Code Section 509, then during such time or times:

- (1) The Corporation shall not engage in any act of self-dealing as defined in Code Section 4941;
- (2) The Corporation shall distribute its income for each taxable year at such time and in such manner as not to subject the Corporation to the tax on undistributed income imposed by Code Section 4942;
- (3) The Corporation shall not retain any excess business holdings as defined in Code Section 4943;

- (4) The Corporation shall not make any investments in such a manner as to subject the Corporation to tax under Code Section 4944; and
- (5) The Corporation shall not make any taxable expenditures as defined in Code Section 4945.

### ARTICLE XI

The private property, both real and personal, of the Directors and officers of the Corporation shall not be subject to the payment of corporate debts to any extent whatsoever.

A. A volunteer Director of the Corporation shall not receive anything of value from the Corporation for serving as a Director other than reasonable per diem compensation and reimbursement for actual, reasonable, and necessary expenses incurred by a Director in his or her capacity as a Director.

B. A volunteer Director shall not be personally liable to the Corporation for monetary damages for a breach of fiduciary duty as a Director, except for liability:

- (1). For any breach of the Director's duty of loyalty to the Corporation;
- (2). For acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (3). Resulting from a violation of section 551(1) of the Michigan Nonprofit Corporation Act;
- (4). For any transaction from which the Director derived an improper personal benefit; or
- (5). Resulting from an act or omission that is grossly negligent.

C. The Corporation assumes all liability to any person other than the Corporation for all acts or omissions of a volunteer Director occurring on or after the filing of these Articles.

D. In the event the Michigan Nonprofit Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Michigan Nonprofit Corporation Act, as so amended. Any repeal, modification or adoption of any provision in these Articles with this Article shall not adversely affect any right or protection of a Director of the Corporation existing at the time of such repeal, modification or adoption.

**ARTICLE XII**

The Corporation shall indemnify its Directors, officers, employees and agents to the fullest extent permitted by the Michigan Nonprofit Corporation Act.

**ARTICLE XIII**

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, dispose of all of the Corporation's remaining assets exclusively for the purposes of the Corporation or distribute the assets to an organization or organizations organized and operated exclusively for charitable or educational purposes as shall, at that time, qualify for exemption under Code Section 501(c)(3), as the Directors shall determine. Any such assets not so disposed of shall be disposed of by Ingham County, Michigan Circuit Court, to be used exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

These Restated Articles of Incorporation were duly adopted on the \_\_\_ day of September, 2004 in accordance with the provisions of Sections 641 and 642 of the Michigan Nonprofit Corporation Act. These Restated Articles of Incorporation restate, integrate, and do further amend the provisions of the Articles of Incorporation, as amended and were duly adopted by the written consent of all of the Directors in accordance with Section 525 of the Michigan Nonprofit Corporation Act.

Signed the \_\_\_ day of September, 2004

By: \_\_\_\_\_  
Jeffrey A. Kaczmarek  
Its: President

DOCUMENT TO BE RETURNED TO:

NAME OF ORGANIZATION  
REMITTING FEES:  
Michigan Economic Development  
Corporation

CHARLES A. FIEDLER  
Michigan Economic Development Corporation  
300 North Washington Square  
Lansing, MI 48913

PREPARER'S NAME AND  
TELEPHONE NUMBER:  
Charles A. Fiedler  
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