

**AMENDED AND RESTATED BYLAWS
OF SOUTH BILLINGS URBAN RENEWAL ASSOCIATION**

These Amended and Restated Bylaws (the **"Bylaws"**) comprise the bylaws of South Billings Urban Renewal Association, a Montana nonprofit corporation (the **"Association"**), contain the provisions for regulating and managing the Association's affairs, and supersede all prior Association bylaws.

Article 1: Association Information

The Association has: (1) its principal office is in Billings, Montana; (2) no corporate seal; and (3) the same fiscal year as the City of Billings, Montana (the **"City"**).

Article 2: Association Features

Montana's Nonprofit Corporation Act (the **"Nonprofit Corporation Act"**), the Internal Revenue Code (the **"Internal Revenue Code"**) and Montana's Urban Renewal Law (the **"Urban Renewal Law"**) combine to shape the Association's features. Under the Nonprofit Corporation Act, the Association is a mutual benefit corporation with members (the members of the Association, the **"Members"**). Under section 501(c)(6) the Internal Revenue Code, the Association is a tax-exempt organization operating as a board of trade. The City used the Urban Renewal Law to create the South Billings Boulevard Urban Renewal District (the **"District"**) as an urban renewal area that generates tax increment funds and adopted a resolution recognizing the Association as an advisory body to the City council on District administration and spending tax increment funds. A contract between the City and the Association governs that advisory relationship (the **"City Contract"**). The Association is not an urban renewal agency under the Urban Renewal Law (an **"Urban Renewal Agency"**), but could become one if: (1) the City wants to assign urban renewal project powers to the Association and the Association wants to accept them; and (2) the Association amends these Bylaws to meet the Urban Renewal Agency requirements under the Urban Renewal Laws.

Article 3: Purpose and Power

The Articles state the purpose of the Association is to use the Urban Renewal Law to improve the business conditions in the District by promoting the common economic interests of the commercial enterprises in the District. To carry out its purpose and conduct its business and affairs, the Association has the corporate powers the Nonprofit Corporation Act affords and those the City gives it in the City Contract.

Article 4: Members

The Association will have a single class of membership. To be a Member, a person must: (1) operate a commercial enterprise within the District (the **"Enterprise Requirement"**); (2) be a director of the Association's board of directors (the **"Board"**; each director on the Board, a **"Director"**; each category of Director, a **"Category"**); and (3) be designated by the Board under the Category that requires the Director to meet the Enterprise Requirement (that Category of Director, the **"Member-Directors"**). Upon a Director's election to the Board under the Member-Director Category, the Director automatically becomes a Member without the necessity of any further action by the Association. When a Member-Director ceases to be a Director, the Member-Director automatically ceases to be a Member. There is no requirement to pay the Association a fee to become a Member. The rights of the Members are limited

to approving: (1) amendments to the Articles and the Bylaws as provided in Article 9 of the Bylaws; and (2) the Association's dissolution and distribution of its assets in accordance with the Articles.

Article 5: Board of Directors

5.1 Board. The Association shall exercise its corporate powers under the authority of the Board, which shall: (1) have five to seven Directors; (2) elect the Directors; and (3) administer and manage Association affairs under its direction. The Board may delegate the some or all of the administration and management of those affairs, as long those affairs remain subject to the Board's ultimate direction. The Board may create one or more Board committees and appoint Directors to serve on them. The Association shall not compensate the Directors for performing Board services, but may reimburse them for reasonable expenses they incur that in engaging in Association-related activity. If there is a vacancy on the Board or if the Board anticipates a vacancy, the Association shall expeditiously undertake a process to solicit applications from interested candidates (the "**Application Process**"). The Association shall continue the Application Process it fills the vacancy. Although the Board may have a range of five to seven Directors, it shall attempt to fill all seven Director positions, and minimize the number and length of vacancies.

5.2 Categories of Directors. There shall be three Categories of Directors: (1) three of the Directors must be Member-Directors, which requires meeting the Eligibility Requirement; (2) two of the Directors must reside in the City, but outside the District (the "**At-large Directors**"); and (3) two of the Directors must own a home in the District and reside in it (the "**Homeowner Directors**"). Each time the Board elects a Director, it shall designate the Category under which the Director falls. If at the time of the election a Director meets the eligibility criteria for more than one Category, the Board shall designate the Director to a single Category at the time of the election and the Director shall remain in that Category. If a Director ceases to meet the eligibility criteria for the Director's designated Category but meets the criteria for a different Category, the Board may elect that Director to serve on the Board under the different Category if vacancy in that Category exists. If a Member-Director ceases to meet the Enterprise Requirement, the Member-Director automatically ceases to be a Member and a Director, but may become a Director under a different Category as provided in the preceding sentence.

5.3 Term. Each Director shall serve for a term of three years (a "**Term**"), except that the Board may shorten the initial Term to one or two years to create staggered Terms for succession planning purposes. No Director may serve more than four consecutive Terms, inclusive of any partial Term, regardless of whether the Director serves under different Categories during those Terms. The Term ends on the earliest of these events to occur: (1) the Term expires; (2) the Director dies; (3) the Director resigns; (4) the Board removes the Director; and (5) the Director no longer meets the eligibility requirement for the Category under with the Director falls.

5.4 Duties and Conflicts of Interest. The Directors each have fiduciary duties to the Association they must follow while administering and managing the Association's affairs under their direction. Those fiduciary duties are to act: (1) in good faith; (2) with the care an ordinarily prudent person in a similar position would exercise under similar circumstances; (3) in a manner the Director reasonably believes to be in the Association's best interest; and (4) in compliance with the conflict of interest (i) provisions in the Nonprofit Corporation Act, and (ii) policies the Board adopts. The Directors shall address conflicts of interest as provided in the Nonprofit Corporation Act.

5.5 Resignation and Removal. A Director may resign at any time by notifying the Board and the

resignation is effective as of the date the notice specifies. The Board may remove a Director in accordance with the Nonprofit Corporation Act.

Article 6: Meetings

The Board shall hold these meetings ("**Board Meetings**"): (1) regular meetings with the frequency and at the times and places the Board determines ("**Regular Board Meetings**"); (2) an annual meeting in October (the "**Annual Board Meeting**"); and (3) special meetings, which two or more Directors may call for any purpose. Regarding Regular Board Meetings, the Board shall endeavor to hold monthly meetings, except in July and December, and hold them on the first Tuesday of each such month at 7:00 p.m. Billings time. The Board may hold the Annual Board Meeting concurrently with or in lieu of the October Regular Board Meeting. The Members shall hold the meetings the Nonprofit Corporation Act requires (a "**Member Meeting**"; a Board Meeting or a Member Meeting, a "**Meeting**") and may hold them concurrently with a Board Meeting. The Association shall communicate notice of the time and place of each Meeting to the Directors, the Members and the public. The Meetings must be open to the public and allow members of the public attending the Meeting the opportunity for public comment. The following events are not Meetings and not subject to the public notice nor are they open to the public: (1) gatherings of two or more Directors held to prepare for a Meeting; (2) the day-to-day conduct of the Association's business affairs; and (3) matters public meeting laws permit the Board to discuss in a closed executive session. The Board may conduct Meetings through forms of remote communication by which all participants can hear one another simultaneously. Participating in a Meeting through remote communication constitutes in person presence for that Meeting. Because the Meetings are open to the public and the Association must permit public comment, neither the Board nor the Members may take action without a Meeting.

Article 7: Voting

Membership votes shall occur in accordance with the Nonprofit Corporation Act. For Board Meetings, a majority of the Directors in office immediately before a Meeting begins constitutes a quorum (a "**Quorum**") for the transaction of business at the Board Meeting. The vote of a majority of the Directors present at a Board Meeting at which a Quorum is present constitutes the act of the Association. If a Director has a conflict of interest on a matter that precludes the Director's participation in the Board's consideration of that matter, the Board shall count the conflicted Director in determining the number of Directors constituting a Quorum, but not count the conflicted Director when determining the number of Directors constituting a majority vote. Each Director present at a Board Meeting may have one vote on each matter before the Board, but must present to vote and may not vote by proxy.

Article 8: Board Officers

8.1 Officers. The Board shall elect Directors to fill these Board offices (each officer, an "**Officer**"; each office, an "**Office**"): (1) a president as the principal Officer, who and shall preside at Meetings; (2) a vice president, who absent the president, shall perform the president's duties; and (3) a secretary, who will (i) keep minutes of the Meetings, (ii) send Meeting notices and agendas, and (iii) cause the Association to keep accurate books and records. Each Officer shall perform the duties incidental to the Office the Officer holds, and other duties the Board prescribes.

8.2 Officer Terms. When the Board elects an Officer to an Office, the Officer shall serve in the Office for a term of two years (an "**Officer Term**"). The Officer Term begins upon the Officer's election to the

Office and ends on the earliest of these events to occur: (1) when the Board elects the Officer's successor to the Office; (2) the Officer dies; (3) the Officer resigns from the Office; (4) the Board removes the Officer from the Office; or (5) the Officer ceases to be a Director. No Officer may serve in the same Office for consecutive Officer Terms.

8.3 Contracts and Banking. Unless a Board resolution provides otherwise, the president or other persons to whom the Board delegates authority shall sign documents on the Association's behalf. An Officer shall sign all checks, drafts, or other orders for the payment of money, notes, or debt the Association incurs. The Board shall cause the Association to deposit its funds with financial institutions the Board selects.

8.4 Resignation, Removal and Vacancies. An Officer may resign at any time by notifying the Board and the resignation is effective as of the time the notice specifies. The Board may remove a Board Officer at any time. If an Office is vacant, the Board shall elect a Director to fill the vacancy for the unexpired Officer Term.

Article 9: Amendments

The Board may amend the Articles or Bylaws. The Members vote only on amendments to the Articles or Bylaws if the amendment changes the rights of the Members.

CERTIFICATE OF ADOPTION

The undersigned Officers hereby certify that Board adopted these Bylaws as of February 5, 2019.

South Billings Urban Renewal Association

Name: Carolyn Rukstad
Carolyn Rukstad, President

Name: Chuck Barrett
Chuck Barrett, Secretary