

Resolution 2007-70

BYLAWS
OF
RISING SUN REVOLVING LOAN FUND
LOAN ADMINISTRATION BOARD

ARTICLE I

Board of Loan Administration

Section 1.1. Duties and Qualifications. As provided in Ordinance No. ²⁰⁰⁷⁻⁵ of the Common Council of the City of Rising Sun ("Ordinance"), the Rising Sun Revolving Loan Fund (the "Fund") shall be managed by a Loan Administration Board ("Board").

Section 1.2. Number, Term, and Appointment. The Board shall be appointed and shall serve according to the provisions of the Ordinance.

ARTICLE II

Officers

Section 2.1. Officers. The officers of the Board shall be a President, a Vice President and a Secretary. Such other officers and assistant officers as may be deemed necessary may be elected by the Board.

Section 2.2. President. The President shall be the principal officer of the Board and subject to the control of the Board members, shall in general supervise and control all of the affairs of the Board. He or she shall preside at all meetings, conduct the meetings, prepare a written agenda, determine rules of order, and perform all duties incident to the office of president and such other duties as may be prescribed by the Board.

Section 2.3. Vice President. In the absence of the President or in case of his or her death, resignation, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. The Vice President shall perform such other duties as from time to time may be assigned to him or her by the President or Board.

Section 2.4. Secretary. The Secretary shall keep the minutes of the meetings of the Board in one or more books provided for that purpose, see that all notices are duly given in accordance with the provision of these Bylaws and as required by the Indiana Open Door

Law, Indiana Code 5-14-1.5-1 *et seq.*, and be custodian of the official records of the Board, which records shall be subject to the Indiana Open Records Law, Indiana Code 5-14-3-1 *et seq.*

Section 2.5. Election of Officers. Election of officers shall take place at the initial organization meeting and after that at the first meeting of the Board of each calendar year.

ARTICLE III

Meetings

Section 3.1. Place of Meeting. Meetings of the Board shall be held at such place within or without the state of Indiana designated in the notice of meeting.

Section 3.2. Schedule of meetings. The Board shall meet at least once in each quarter of the calendar year and at any other times or on such other dates as the Members by majority vote at a meeting thereof or by majority written consent may designate. There may be such other regular meetings of the Board as may be scheduled by the Board. Special meetings of the Board may be called at any time by the Secretary, or in his or her absence by an assistant secretary of the Board, upon written request by the President, or not less than two (2) of the Board members.

Section 3.3. Organization of meetings. At each meeting of the Board, the President of the Board shall preside. In his or her absence, the Vice President shall preside. The meetings shall be conducted under Robert's Rules of Order, Revised.

Section 3.4. Quorum at meetings. A majority of the total number of members of the Board shall make up a quorum for the transaction of business at any meeting and, except as otherwise provided by law, the act of a majority of the Board members present at any meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum, a meeting may be adjourned by a majority of the Board members present until such time as a quorum may be obtained. Each Board member at a meeting is entitled to one vote and no proxies may be exercised at Board meetings.

Section 3.5. Withdrawal from meetings. During the consideration of a proposed loan or appropriation by the Board or a committee thereof, any Board member who is an officer, trustee, member, relative within the 2nd degree, director, member or employee of the prospective borrower shall withdraw from the meeting when the vote is taken, and should not be counted in determining the quorum for the meeting, even where permitted by law.

Section 3.6. Minutes. The Board shall maintain minutes of its meetings and other records as necessary to document all of its business.

ARTICLE IV

Board Members' Annual Business Relationship Disclosures

Section 4.1. General. The proper governance of the Board depends upon Board members who give of their time for the benefit of their community. The giving of this service, because of the varied interests and backgrounds of the Board members, may result in situations involving a dual interest that might be interpreted as a conflict of interest. This service should not be rendered impossible solely by reason of duality of interest or possible conflicts of interest. This service nevertheless carries with it a requirement of loyalty and fidelity to the Fund, it being the responsibility of the Board to govern the Fund's affairs honestly and economically, exercising their best care, skill, and judgment for the benefit of the Fund. The matter of any duality of interest or possible conflict of interest can best be handled through full disclosure of any such interest, together with noninvolvement in any vote wherein the interest is involved.

Section 4.2. Disclosure. On an annual basis, each Board member shall complete a statement, in the form prescribed by the Board, disclosing all business relationships between the Board member and the Fund. The Board shall compile a summary of those disclosure statements and investigate and gather whatever additional information is necessary to fully describe the business relationships. On an annual basis, the Board shall report to the full Board on the extent of the business relationships of the Board members (a "disclosed business relationship"). Upon the request of any Board member, the Board may investigate any matters regarding a business relationship, analyze the potential for a conflict of interest with respect to such business relationship, and report its findings to the full Board. The Board may take into account the personal involvement by the Board member in the business relationship and the financial significance of the business relationship to the Board member's business. The foregoing procedure shall not relieve any Board member from additional disclosure if appropriate in light of developments between annual reports by the Board.

Section 4.3. Voting and Quorum. Any Board member having a business relationship which impacts upon any matter properly before the Board should not vote or use personal influence on the matter, and should not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.

Section 4.4. Review. Compliance with this Article shall be reviewed annually by the President for the information and guidance of the Board. Any new Board member shall be properly oriented regarding this Article upon commencing the duties of office and shall complete the prescribed statement.

Section 4.5. Other Disclosures. All Board members shall comply with, and provide any statements required pursuant to, Indiana Code 35-44-1-3 concerning a public servant who knowingly or intentionally (a) has a pecuniary interest in, or (b) derives a profit from, a contract or purchase connected with an action by the governmental entity served by the public servant.

ARTICLE V

Miscellaneous

Section 5.1. Execution of Contracts and Other Documents. Unless otherwise ordered by the Board, all written contracts and other documents entered into by the Fund shall be executed on behalf of the Fund by the President or Vice President and, if required, attested by the Secretary or an assistant secretary.

Section 5.2. Amendments. Subject to law and the Ordinance, the power to make, alter, amend or repeal all or any part of these Bylaws is vested in the Board; provided, however, that any amendment of these Bylaws shall be approved by the Common Council of the City of Rising Sun prior to adoption by the Board. The Board must provide notice to the Board members of any meeting at which an amendment to the Bylaws is to be considered and voted upon.

Secretary's Initials

Date: _____