

SECTION 2
KENTUCKY HIGHLANDS EMPOWERMENT ZONE

- 1. PROCUREMENT STANDARDS**
- 2. STEERING COMMITTEE CONFLICT OF INTEREST
POLICY**
- 3. STEERING COMMITTEE BYLAWS**
- 4. SUB-ZONE POLICIES**

1. Title shall be subject only to:
 - a. any reservations, outstanding interests, encumbrances, any exception to title contained in the established price; or,
 - b. any reservations which are authorized by the Agency in the manner described below under the heading, "Reservation of Rights in Vendor."
2. Real property taxes and charges for any public services shall be prorated as of the date title passes to the Agency or as of the date of taking possession under a court order or an eminent domain proceeding.
3. Rents and deposits collected by the vendor from tenants shall be retained by the vendor for the rental period during which title is acquired by the Agency, in accordance with the "Policy Governing the Management of Acquired Properties." Any deposits or rent prepaid to the vendor between the end of the current rental period or beyond one month after closing, whichever occurs first, shall be paid by the vendor to the Agency closing.
4. The expense of closing, including examination of evidence for assurance of title and cost of preparing and recording instruments of conveyance to the Agency shall be paid by the Agency.

ASSURANCE OF TITLE TO ACQUIRED PROPERTY

At the time payment is made for a parcel and title is vested in the Agency, the Agency shall have:

1. Obtained evidence, or assurance of title, showing title to the parcel vested in the Agency, subject only to approved exceptions.
2. Inspected to insure that the property conforms substantially to the property as appraised.
3. That, after taking title, there will be no outstanding rights of possession or interest adverse to the rights of the Agency, except easements or other interests that are not to be acquired for the project.

A detailed settlement statement shall be prepared at each closing or acquisition of property by condemnation. A copy shall be furnished to the seller or condemnee. Deeds and other instruments required to vest title of record in the Agency shall be recorded.

RESERVATION OF RIGHTS IN VENDOR

Any acquisition of property from an owner who occupies the property shall be subject to the owner reserving the right to retain possession of the owner-occupied portion of the property without payment of rent for sixty (60) days after conveyance of the property. The Agency may permit a property owner to continue his occupancy without rent for an additional period or to reserve the right to remove buildings or improvements if the price is adjusted accordingly. The value of the reserved interest or right shall be deducted from the approved acquisition price to determine the price that the Agency may pay for the property. The value of a reserved interest or right shall be determined by the Agency on the basis of adequate and documented supporting data.

A reservation of interest or rights shall be permitted only when it will not interfere with the carrying out of the project. The duration of the reserved rights shall be specified in the agreement of sale. If the reservation involved the removal and relocation of improvements intact, the improvements, when relocated, will be sound and standard structures and will not contribute to the spread of blight or create undesirable conditions.

The terms and conditions of a reservation must not obligate relocation grant funds or other project funds for any expenditure in connection with reserved interests or rights.

The acceptance of an offer subject to a reservation shall be approved and authorized by the Agency.

ACQUISITION BY CONDEMNATION

The institution of condemnation proceedings may be started if:

1. The Agency made every reasonable effort to acquire the property by negotiated purchase and made a final offer to the owner in writing, as required under the above heading, "Negotiations Required Before Condemnation" prior to instituting the condemnation proceedings.
2. The Agency has been given authorization to proceed by either a resolution or an ordinance.

PAYMENT TO OWNER BEFORE TAKING POSSESSION

If only the amount of the payment to the owner is in dispute, the provisions of "Taking Possession" (above) will be regarded as being met by the deposit in court of at least 75 percent of the established acquisition price or the court-appointed appraiser's award, whichever is greater, provided the deposit is withdrawable by the owner without prejudice to his right to obtain a subsequent determination of the value of the property by the court.

CONTINUED NEGOTIATIONS WITH OWNERS

After instituting a condemnation proceeding, the Agency shall continue making every reasonable effort to reach agreement with each owner before trial of the proceeding.

APPEALS

The Agency shall determine whether or not to appeal an award.

TITLE TO PROJECT LAND

When acquisition has been completed, the Agency shall obtain consolidated assurance of the title conveying the project land as a whole. As an alternative, the Agency may obtain such assurance for each major segment as it is required. The assurance of title shall show the Agency to be vested with a good and indefeasible title.

The consolidated assurance of title and evidence of title shall be preserved. However, if abstracts of title were obtained, they may be delivered to the redeveloper when the land is conveyed if the conveyance is by quitclaim deed.

ATTACHMENT A

NOTICE OF LAND ACQUISITION PROCEDURES

1. In carrying out the property acquisition program, Agencies utilizing Empowerment Zone Funds shall:
 - a. Be impartial and protect the interests of all concerned;
 - b. Be fair, but not excessive, in prices to owners;
 - c. Make every effort to minimize the hardship to owners and tenants; and,
 - d. Make every effort to buy property by negotiation and use condemnation as a last resort.
2. The owner of each parcel, or his representative designated in writing, shall be given the opportunity to accompany each appraiser during his inspection of the property.
3. The Agency will buy all of an owner's parcel rather than leave the owner with a part so small that it is worthless.
4. If an owner feels he is not being offered a fair price, he can refuse to accept it. If he can satisfactorily show why it is an unfair price, the Agency will modify the offer.
5. The expense of closing, title search, preparation and recording of deed will be paid by the Agency.
6. No person lawfully occupying property will be required to move without a 90-Day written notice.
7. If the owner or tenant makes arrangements to rent the property for a short period of time after the Agency buys it, the rent will continue as previously charged if it is considered fair and reasonable. If not, the rent will be adjusted to an amount not over 30 percent of the family income, or not over one percent of the purchase price, whichever is less.

KENTUCKY HIGHLANDS EMPOWERMENT ZONE

Wayne County EZ Community, Inc.

TRAVEL POLICY

WHEREAS, it is in the best interests of the Wayne County EZ Community, Inc. to enact a resolution setting forth a policy governing expense reimbursement and travel.

NOW, THEREFORE, BE IT RESOLVED BY THE WAYNE COUNTY EZ COMMUNITY, INC. AS FOLLOWS:

- A. No representative or employee of the corporation shall receive any lump-sum expense allowance or contingent fund for personal or official expenses (KRS 64.710).
- B. Any representative or employee of the Corporation incurring expenses for travel shall be reimbursed as follows:
 1. TRANSPORTATION: For all reasonable necessary public transportation by reasonable economical means, the actual cost of fares, not to exceed costs of accommodations that are less than first class if available. For the use of privately owned vehicles advantageous to the purposes of the corporation, mileage at the rate allowable by the Internal Revenue Service per mile.
 2. LODGING: Reimbursement shall be made on an actual expense basis for the cost of lodging with a receipt required on all expenses claimed.
 3. MEALS: Reimbursement shall be made on an actual expense basis for the cost of meals for the corporation representative or employee and those in company with the corporation representative if the purpose of the meal is to discuss corporation business,
- C. OTHER: Tolls, parking, baggage and car rentals are allowed on an actual expense basis when reasonable and necessary in conducting business for the corporation. Tips: Expendable basis.
- D. The Expense Reimbursement Form must be completed (including required receipts) and submitted to the Corporation for payment.
- E. The Expense Reimbursement Form must be signed by the representative of the corporation requesting reimbursement.
- F. Reimbursement will not be made for the cost of self-entertainment or alcoholic beverages. However, reimbursement will be made for the cost of meals provided to others when necessary to perform the business of the corporation.

KENTUCKY HIGHLANDS EMPOWERMENT ZONE PROCUREMENT STANDARDS

All procurements made by The Kentucky Highlands Empowerment Zone Steering Committee involving the expenditure of Kentucky Highlands Empowerment Zone funds will be made in accordance with the following procurement standards.

Procurement transactions, regardless of method or dollar value, will maximize open and free competition. The Kentucky Highlands Empowerment Zone Steering Committee shall not engage in procurement practices which may be considered restrictive in trade.

Purchases will be reviewed by the Chairman or designee to prevent duplication and to insure that costs are reasonable.

Purchases of unnecessary items will be avoided.

Where appropriate, an analysis will be made of lease and purchase alternatives to determine which would be the most economical and practical.

Solicitations will include, where practical and economically feasible, the acceptance of products and services dimensioned in the metric system of measurement and preference for products and services that conserve natural resources, protect the environment and are energy efficient.

I. Methods of Procurement

Procurements shall be made by one of the following methods: (a) small purchase procedures, (b) competitive sealed bids, (c) competitive negotiation, (d) non-competitive negotiation.

(a). SMALL PURCHASES

Purchases of supplies, equipment and services which cost between \$500 and \$100,000 will require written estimates but no legal advertisement is required. The Kentucky Highlands Empowerment Zone Steering Committee will solicit written responses from at least three vendors, and if no such responses are available, a statement explaining the procurement will be prepared and filed.

Purchases which cost between \$100 and \$500 require three over-the-telephone quotations of rate, price, etc. or three catalog price comparisons. A memorandum will be prepared setting forth the date the calls were made, parties contacted and prices obtained, or catalogs used for comparison. For purchases of less than \$100, efforts will be made to get the lowest and best price, but written records of such efforts are not necessary.

IV. Empowerment Zone Owned, Minority Owned, Female Owned and Small Businesses

Efforts will be made and documented to solicit participation of Empowerment Zone owned, minority owned, female owned and small businesses. Where feasible, evaluation criteria will include a factor with an appropriate weight for these firms.

V. Code of Conduct

A. CONFLICT OF INTEREST

No member of the Board of Directors, employee or designated agent of the Kentucky Highlands Empowerment Zone Steering Committee will take part or have an interest in the award of any procurement transaction if a conflict of interest, real or apparent, exists. A conflict of interest occurs when the board member, employee or designated agent of the Kentucky Highlands Empowerment Zone Steering Committee, partners of such individuals, immediate family member, or an organization which employs or intends to employ any of the above has a financial or other interest in any of the competing firms.

B. ACCEPTANCE OF GRATUITIES

No member of Board of Directors, employee or designated agent of the Kentucky Highlands Empowerment Zone Steering Committee shall solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, subcontractors or potential subcontractors other than of the diminimus nature.

C. PENALTIES

Any member of the Board of Directors, employee or designated agent of the Kentucky Highlands Empowerment Zone Steering Committee who knowingly and deliberately violates the provisions of this code will be open to civil suit without the legal protection of the Kentucky Highlands Empowerment Zone Steering Committee.

Any contractor or potential contractor who knowingly and deliberately violates the provisions of these procurement standards will be barred from future transactions with the Kentucky Highlands Empowerment Zone.

**KENTUCKY HIGHLANDS EMPOWERMENT ZONE
STEERING COMMITTEE
CONFLICT OF INTEREST POLICY**

The U.S. Department of Health and Human suggests that members of the Kentucky Highlands Empowerment Zone Steering Committee adhere to the following regulations relating to the purchase and rental of goods, space and services using Title XX funds, unless prior HHS approval is obtained:

I. General limitations on purchases and rentals.

(a) Except as provided in Section II, a recipient or sub-recipient under Title XX of the Act shall not obligate or expend any project funds (Federal or non-Federal share) for a purchase or rental of goods, space or services if any of the following persons has a substantial interest (as defined in paragraph (b) of this section) in the purchase or rental.

- (1) A member of a board or committee of the purchasing or renting recipient or sub-recipient
- (2) An executive officer of the purchasing or renting recipient or sub-recipient
- (3) Any other employee of the purchasing or renting recipient or sub-recipient whose responsibilities include procurement of goods, space or services
- (4) Anyone who is a member of the immediate family of a board member or employee referred to in paragraphs (a)(1)(2) and (3) of this section

The following shall be considered members of an "immediate family:"

Husband	Wife	Father	Mother
Father-in-law	Mother-in-law	Brother	Sister
Brother-in-law	Sister-in-law	Son	Daughter
Son-in-law	Daughter-in-law	Step-son	Step-daughter

(b) The term "substantial interest" used in paragraph (a) of this section includes the following:

- (1) Any direct or indirect financial interest in the specific sale or rental transaction, including a commission or fee, a share of the proceeds, the prospect of promotion, a profit or any other form of financial reward.
- (2) Any of the following interests in the business which is supplying the goods, space or services to the purchasing or renting recipient or sub-recipient: ownership; partnership interest or other beneficial interest of 7% or more; ownership of 7% or more of the stock; employment as an executive officer or membership on the board of directors or other governing board.

(c) Recipient and sub-recipient should note that all kinds of goods and services relating to their programs are affected by this subpart. Both personal and institutional services are covered. These include banking and other financial services, medical, legal and other professional services and management and consultant services, as well as other kinds of skilled and unskilled labor.

(d) Exceptions

- (a) The limitations in Section I shall not apply to:
 - (1) Purchase or rentals of goods, space and services from the same supplier at a total cost of less than \$200 within any 12-month period
 - (2) Purchases or rental of goods or services if there is no other supplier within the community served by the program or within a radius of 25 miles whichever is the larger area.
 - (3) Purchases or rental of goods, space or services from the lowest bidder in accordance with rules for advertised competitive bidding under seal
 - (4) Purchase or rentals of standardized goods at the lowest price offered after all local suppliers in the community have been contacted for quotations.

(b) Purchases of services or rental of goods or space from public or private non-profit organizations at a cost or at general rates previously established by those organizations.

II. Other actual or perceived conflicts of interest that shall be prohibited by the Steering Committee include:

1. Nepotism. No member of the "immediate family" of a Steering Committee member may become a member of the Steering Committee.
2. Purchase or rental of goods, space or services from an employee, director or affiliated persons(as defined above) with non-Title XX funds.¹
3. Direct or indirect financial interest in a project, asset or organization in which an employee, director or their affiliate has an established interest¹
4. An employee, director or their affiliate acquiring a financial interest in a project, asset or organization in which the Kentucky Highlands Empowerment Zone has an established interest¹
5. Gifts, gratuities or entertainment. It shall be prohibited for members of the Kentucky Highlands Empowerment Zone Steering Committee and employees to accept gifts, excessive entertainment, or other favors from any outside concern that does, or is seeking to do, business with under circumstances from which it might be inferred that such action was intended to influence or possibly would influence the individual in the

¹Any of these transactions may be permitted, but only upon the full disclosure by the affected director or employee of his or her interest or intended interest in the transaction and upon the approval of a two-thirds vote of the non-involved directors of the Kentucky Highlands Empowerment Zone Steering Committee. Where a director is involved, 1) his or her presence should not be necessary to constitute a quorum for said meeting, 2) he or she may not vote on the matter, and 3) he or she may not be present during the discussion on the matter other than to initially describe his or her interest therein, and to answer questions raised by other directors.

items of nominal or minor value or items that are clearly tokens of respect or friendship and not related to any particular transaction or activity of the Kentucky Highlands Empowerment Zone Steering Committee.

6. Other. Committee members and employees are expected to timely disclose to the Steering Committee any actual or perceived conflict of interest of any kind related to Kentucky Highlands Empowerment Zone activities, even if not directly covered above. The KHEZ Steering Committee, upon such disclosure shall determine what action should be taken with respect to same on an ad hoc basis.

**KENTUCKY HIGHLANDS
STEERING COMMITTEE**

Article I

Committee

Section 1 - Composition and Function of Committee

The committee (the "Committee") shall consist of not less than seven nor more than twenty-eight persons, the authorized number at any one time being equal to the number then serving. The Committee shall be composed of persons from diverse backgrounds having an interest in the objectives of the Kentucky Highlands Empowerment Zone (the "EZ"). The Committee shall have overall responsibility for the direction of the EZ Strategic Plan and authority for the approval of any amendments to the Strategic Plan. The Committee will provide guidance throughout the implementation of the Strategic Plan.

Section 2 - Term of members

Members of the Committee shall be elected by the Committee for a term of one year. Elections shall be held during the first meeting of each fiscal year.

Section 3 - Termination of appointment

A member who has been absent from three consecutive regular meetings without explanation shall be considered to have resigned from the Committee. A member may be removed for any reason upon the vote of three fourths of the full membership of the Committee.

Section 4 - Vacancies on Committee

A vacancy on the Committee shall be filled by election by a plurality of the remaining members present at any regular meeting of the Committee, or at any special meeting provided that in the case of special meeting, the notice of the proposed election of a member to fill such vacancy is given in the notice of such special meeting. Each person so appointed to fill a vacancy shall serve the unexpired term.

Section 5 - Regular Meetings

Regular Meetings of the Committee shall be held at 12:00 noon on the fourth Tuesday of each even numbered month unless it is determined by the Chairperson that no meeting should be held during a particular month. An attempt shall be made to notify members by telephone prior to the time of each meeting but the failure to contact any member shall not invalidate the meeting. Each regular

Whitey Road, London, Kentucky unless the ~~Committee~~ ~~may~~ ~~make~~ ~~decision~~ is appropriate and gives reasonable notice to the members.

Section 6 - Special meetings

Special meetings of the Committee may be called by the Chairperson or by any three Committee members. Written notice shall be mailed to each member at least three days prior to the meeting. Except as otherwise required by these whether or not the purpose of the meeting is stated in the notice.

Section 7 - Quorum

A quorum at any regular or special meeting shall consist of at least one half of the members then in office.

Section 8 - Rules of procedure

Robert's Rules of Order shall govern the conduct of business in all cases in which they are applicable and not in conflict with law or these Bylaws.

Article II

Officers

Section 1 - Designation of offices

The officers of this organization shall be chairperson, vice-chairperson, secretary and such other officers as the Committee may from time to time determine. Subject to such limitations or additions as the Committee or the Executive Committee may from time to time prescribe, the officers of the Committee shall each have such powers and duties as generally pertain to their respective offices.

Section 2 - Term of officers

Officers shall be elected for a term of one year. Elections shall be held during the first meeting of each year. The present officers shall continue to hold office until the end of fiscal year 1996.

Section 3 - Vacancies in offices

A vacancy in any office shall be filled by election of a successor at any regular meeting of the Committee, or at any special meeting provided that in the case of special meetings the notice of the proposed election of an officer is given in the notice of such special meeting. Each person so elected to fill a vacancy shall serve the unexpired term.

Executive Committee

Section 1 - In order to facilitate the business of the Committee where prompt action may be advisable between meetings, the Chairperson may, at his or her discretion, activate an Executive Committee consisting of the elected officers plus two Committee members. The Executive Committee shall be empowered to exercise all the functions of the Committee between meetings. A majority of the Executive Committee shall constitute a quorum. The committee may meet in person or by telephonic means provided that all members shall be afforded an opportunity to hear and be heard by other committee members in attendance.

Section 2 - The majority of the members of the Executive Committee shall be Zone residents.

Article IV

Conflict of Interest

Section 1 - Prohibition of payment to Committee members

No member of the Committee shall receive any payment or other consideration for his service on the Committee.

Section 2 - Restriction of contracts with Committee members

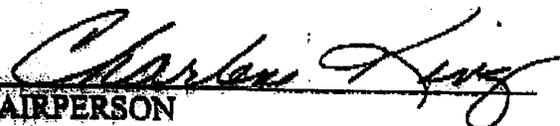
No Committee member shall take part in debate or consideration of any agreement, purchase, sale or contract involving a business entity in which that Committee member may have an interest as owner, shareholder, officer, member or manager nor shall the Committee give any special consideration to any entity so owned, managed or controlled.

Article V

Amendments

Any proposed amendment must be brought before the Committee in a meeting called by notice sent by Certified Mail at least one week in advance. Such proposed amendments must be approved by a quorum of the Committee members present at the meeting.

Adopted 8/22/95, 1995.


CHAIRPERSON

**JACKSON COUNTY EZ COMMUNITY, INC.
EMPLOYMENT POLICY MANUAL
ADOPTED DECEMBER 3, 1996**

EMPLOYEE CONDUCT

APPEARANCE

It is important that each employee realize that personal appearance is important to our organization's image and that each employee should dress accordingly in a professional, businesslike manner. Cleanliness is particularly important.

ATTENDANCE

We expect all employees to attend work daily. (In cases of emergency, please notify Executive Director either before work or as soon after your regular starting time as is possible.) It is important to this organization that you arrive for work ready to meet the day's challenges.

LEAVING THE OFFICE

Upon leaving the office, employees shall inform their supervisor of their intended destination.

CONFLICT OF INTEREST

No employee may (1) provide goods or services to the Jackson County EZ Community, Inc.; (2) profit or invest in a Jackson County EZ Community, Inc. project; (3) accept gifts from a party involved in a Jackson County EZ Community, Inc. project.

DRUG FREE WORK PLACE

The Jackson County E Z Community, Inc. shall provide a drug free work place. All employees are hired with the explicit understanding that they may be required to submit to drug testing on a random basis. The possession or illegal use of drugs by employees of the Jackson County E Z community, Inc. shall not be tolerated. Possession or illegal use of drugs shall be considered cause for immediate dismissal of an employee. All new employees must sign a Drug Free Work Place agreement upon acceptance of employment.

NEATNESS OF WORK

Employees are expected to take great care that all letters, mailings, printed materials, and other documents sent out from the Jackson County EZ office are of the highest quality in neatness, correctness, orderliness, and professionalism. Imagination and creativeness are encouraged in all presentation and publications.

POLITICAL ACTIVITY

No employee is permitted to actively participate in partisan political activity while on duty except for voting.

JURY DUTY/COURT APPEARANCES

Involuntary- An employee who is called for jury duty or subpoenaed as a witness in a court trial or proceeding where they are an impartial participant, will receive his/her full salary for not more than five (5) consecutive days. Employees will retain any money paid to them by the court. After five (5) days of jury duty, an employee's salary will be diminished by the amount of jury fees paid by the court.

Voluntary- Time taken off by an employee who appears in court as a witness on a voluntary basis must be accounted for by either compensatory time, vacation, or leave without pay.

MATERNITY LEAVE

Time off for pregnancy and related conditions will be treated like any other short-term disability. The amount of time off allowed will be determined by the physician, the employee, and Jackson County EZ Community, Inc. management. In most cases the time will be approximately six weeks. Such employees will utilize sick leave to the extent they have it available. Employees who have exhausted their sick leave are encouraged to use their vacation time before being placed on non-pay status.

The employee's job will be held open for the period of the disability as verified by a physician during the employee's absence. The employee must notify her direct supervisor as soon as possible of the date she has been released to return to work.

Short-term disability is included as accrued employment time in calculating seniority, vacation, or any other applicable benefit.

PERFORMANCE EVALUATION

The Executive Director shall complete an annual performance evaluation of subordinate employees and report findings to the Board of Directors.

RETIREMENT

The Jackson County EZ Community, Inc. does not presently participate in a retirement program.

SALARY

The wages of subordinate employees shall be recommended by the Executive Director with the Board of Directors approval.

SICK LEAVE

Sick leave will accrue on the basis of one (1) day per month up to 30 days. An employee without sufficient sick leave to meet his/her needs may use earned vacation leave or, with the approval of the Executive Director, may use leave without pay.

VACATION

Vacation shall accrue on the basis of one (1) day per month. Vacation time may transfer from one fiscal year to the next, up to a maximum of 30 days. Requests for vacation time should be given to the Executive Director two weeks prior to the absence. An employee with unused accrued vacation days will be compensated for those days upon termination of employment.

QUALIFICATIONS

Qualifications will be determined by the EZ Board.

RESIDENCY

All employees shall reside in Jackson County within a reasonable time after employment as determined by the Board of Directors.

TELEPHONE USAGE

Business Calls- Courtesy and professionalism are the standard at all times. Every phone call is important.

Personal Calls- Personal calls shall be kept to a minimum.

EMPLOYEE BENEFITS

FUNERAL LEAVE

An employee will be allowed time off, with pay, for a maximum of three (3) working days to attend the funeral of a husband, wife, son, daughter, brother, sister, father, mother, father-in-law or mother-in-law. Adequate time will be given to attend the funeral of other relatives.

HOLIDAYS

All regular status employees will be paid regular time for the following holidays on the dates listed below:

Labor Day (1)
Independence Day (1)
Memorial Day (1)
Thanksgiving (2)
Christmas (2)
New Year's Day (1)

If an employee chooses to work on a holiday, optional days may be taken. All optional days must be arranged through the Executive Director.

If a holiday falls on Sunday, it will be observed on the following Monday. If a holiday falls on Saturday, it will be observed on the prior Friday.

INSURANCE

Insurance coverage shall be determined by the Board of Directors. Policies shall be periodically reviewed by the Board of Directors.

WORKER'S COMPENSATION

Jackson County EZ Community, Inc. employees are protected under the provisions of the Worker's Compensation Act which provides medical and hospital care in case the employee suffers an accident or contracts an occupational disease in the course of employment.

An employee is required to report immediately to the Executive Director any kind of injury suffered in connection with EZ duties.

SOCIAL SECURITY AND MEDICARE

One-half of Social Security and Medicare costs are paid for by Jackson County EZ Community, Inc. and the other half through deductions from your pay.

GENERAL POLICY

TRAVEL

Automobile mileage shall be reimbursed at the rate of .30 per mile. All other travel related expenditures will be reimbursed based on actual receipts.

WORK HOURS

Normally, office hours shall be from 8:30 a.m. until 4:30 p.m. Monday through Friday. Additional hours may be required as the work schedule demands. Hourly employees may take over-time hours off as compensatory time if they choose. Compensatory time must be taken within a week of overtime hours worked.

EQUAL OPPORTUNITY

The Jackson County EZ Community, Inc. is an Equal Opportunity Employer.

FACILITIES USAGE

All requests for utilization of Jackson County EZ Community, Inc. facilities by outside organizations are to be coordinated through Executive Director.

INFORMATION

The EZ staff shall comply with the Open Records law.

POLICIES

The Board of Directors shall set all employment policies. By majority vote these policies can be changed at any Board of Directors meeting. Any changes in policy become effective immediately unless otherwise specified.

COMPLIANCE WITH REGULATIONS

All employees must comply with all regulations established within the Empowerment Zone program and any other local, state, or federal regulations, as applicable.

TERMINATION

Two (2) weeks written notice is required.

Wayne County EZ Community, Inc.

LAND ACQUISITION PROCEDURES

ACQUISITION POLICY STATEMENT

Table of Contents

	<u>Page</u>
OBJECTIVES AND POLICY	1
ORGANIZATION	2
ACQUISITION PRICES	2
ACQUISITION METHODS	2
TIMING OF NEGOTIATIONS AND ACQUISITION	3
INSTRUCTIONS TO NEGOTIATORS	3
RECORD OF NEGOTIATIONS	3
POLICY NEGOTIATIONS	4
PROPERTIES COVERED BY THE POLICY	4
BASIS FOR POLICY	4
NEGOTIATIONS REQUIRED BEFORE CONDEMNATION	5
PAYMENT OF FAIR PRICES	6
PROTECTION OF INTERESTS BY OWNERS & OCCUPANTS	6
TAKING POSSESSION	7
ACCEPTANCE OF OFFERS OF OWNERS	7
TERMS AND CONDITIONS	7
ASSURANCE OF TITLE TO ACQUIRED PROPERTY	8
RESERVATION OF RIGHTS IN VENDOR	9
ACQUISITION BY CONDEMNATION	9
PAYMENT TO OWNER BEFORE TAKING POSSESSION	9
CONTINUED NEGOTIATIONS WITH OWNERS	10
APPEALS	10
TITLE TO PROJECT LAND	10
ATTACHMENT A - NOTICE OF LAND ACQUISITION PROCEDURES	11

OBJECTIVES AND POLICY

In carrying out real estate acquisition programs within the Wayne County Empowerment Zone, all agencies and grantees receiving Empowerment Zone Funds for the use in acquiring real property, shall:

1. Recognize its obligation impartially to protect the interests of all concerned, to pay fair prices to owners, and to prevent the payment of prices that are excessive.
2. Make every reasonable effort to acquire each property by negotiated purchase before instituting condemnation proceedings against the property.
3. Use the available acquisition methods and practices in ways as to minimize hardship to owners and tenants.
4. Conduct its appraisal, property inspection, negotiation, and condemnation activities so that any condition or occupancy of property in violation of law will be given rightful consideration in determining the purchase price.
5. Adopt effective measures to prevent speculation in the properties to be acquired.
6. To the degree fully consistent with the foregoing principles and the "Policy on Negotiation" below, acquire the properties at the lowest possible cost to the project.
7. Achieve as nearly as possible, a single, unified acquisition program.
8. Take all steps to remove or abrogate any legally enforceable provisions in an instrument which restricts ownership, use, or occupancy of any land acquired on the basis of race, color, creed, or national origin.

ORGANIZATION

Real estate negotiations may be performed by qualified members of the Administrative staff or by experienced real estate brokers under contract. The Administrative staff shall, however, employ a sufficient number of qualified appraisers to ensure that all owners of properties to be acquired will be interviewed and their properties appraised promptly and that the real estate acquisition program will be completed expeditiously.

ACQUISITION PRICES

In accordance with the applicable law and regulations, the Administrative staff shall in a non-discriminatory manner select at least one independent, qualified professional appraiser in private practice to examine and inspect the real property to be acquired. This appraiser must perform his function within the constraints of all applicable federal, state, and local regulations. Two such qualified appraisers will be used if the anticipated value of the real property is in excess of \$25,000. The Project Director of the Administrative staff shall approve a qualified, independent, professional review appraiser who will determine the adequacy of the appraiser(s') supporting data and documentation, the soundness of the appraiser's reasoning, and whether the appraisal conforms with recognized appraisal practices. In particular, the reviewer shall determine the correctness of the appraiser(s') opinion(s) of the fair market value of the property. The review appraiser shall set forth in a written report his recommendation as to the fair market value of the real property.

The Administrative staff shall establish the amount of just compensation to be offered to the owner of the real property. Such offer shall not be less than the review appraiser's recommendations as to the fair market value of the property.

The appraisals shall be solely for the information of the Administrative staff and shall not be open for public inspection until 30 days after transfer of title. The Administrative staff may exempt from acquisition any real estate or buildings within the County's project area if it finds that such acquisition is not necessary for the carrying out of the plan,

The County may accept gifts of property needed for the redevelopment of blighted areas, provided such property is free and clear of all liens and encumbrances other than taxes, assessments, and other governmental charges and is in accordance with all State regulations.

ACQUISITION METHODS

Real estate acquisition shall be started as early as practicable and then carried to completion expeditiously in accordance with State and Local law and State regulations.

TIMING OF NEGOTIATIONS AND ACQUISITION

As soon as the Agency approves a plan involving acquisition, the Agency may obtain appraisals for the acquisition of properties for which acquisition has been determined necessary. Options of offers to purchase or offers to sell may be necessary. Options of offers to purchase or offers to sell may be obtained, but shall not be accepted; and no property shall be acquired until after the public hearing on the proposed project has been held and until appraisals have been obtained and the "Fair Market Value" determined.

The Agency shall proceed promptly to carry out a full-scale acquisition program in which all properties to be acquired for the project will either be acquired or placed in condemnation after a reasonable negotiating period. Church buildings used for worship by established congregations shall be exempt from condemnation and may be acquired only by consent.

Each parcel on which an acquisition price has been established shall be assigned promptly to a staff or contract real estate negotiator.

INSTRUCTIONS TO NEGOTIATORS

To ensure that each negotiator fully understands his duties and responsibilities, the Administrative staff shall review any proposed service contract with the negotiator and furnish him complete information with respect to:

1. Objectives of the acquisition program and the policy and requirements governing negotiation methods and practices.
2. Terms and conditions of purchases, including the payment by the County of settlement costs when applicable.
3. Provisions for relocation payments if the owner occupies the property.
4. Requirement that the Agency, which includes its negotiation representatives, shall protect impartially the interests of all concerned and to pay the "Fair Market Prices" to owners, and use available acquisition methods and practices to minimize hardships to owners and/or tenants.

RECORD OF NEGOTIATIONS

The Agency shall require the negotiator to maintain a separate log of his negotiations on each parcel or group of parcels, in the same ownership and to furnish such record to the Administrative staff upon request so that the Administrative staff will have evidence, before instituting any eminent domain proceeding, that it made every reasonable effort to acquire the property by negotiated purchase before instituting the proceeding.

POLICY NEGOTIATIONS

The negotiations of the Administrative staff with a property owner for the acquisition of real property or any interest therein, except property of a kind specifically exempted below, shall be on the basis of offering the owner initially the full amount of the acquisition price determined to represent fair compensation for the property to be acquired or not less than the "Fair Market Value" as determined by the Administrative staff. Negotiations exempted from the foregoing initial offer policy must, of course, also be conducted fairly and impartially.

PROPERTIES COVERED BY THE POLICY

The policy requirements apply to the Agency's negotiations with the owners for the acquisition of all properties, except:

1. Property owned by the Federal government, a State or Local government, or an instrumentality thereof.
2. Property donated to the project.
3. Property of an owner who voluntarily and knowingly offers to sell his property to the project, for less than its fair market value and executes a statement to that effect.

BASIS FOR POLICY

The principal purposes of the policy are (1) to protect the interests of property owners, especially the unsophisticated or poorly informed who have limited ability to negotiate with the Agency representatives, and (2) to put all negotiations for the acquisition of real property on a basis that acknowledges and accepts the obligation of public entities to treat all owners fairly, impartially, and consistently in negotiating the acquisition on their properties.

The policy accepts as valid the principle that the owner of a property to be taken for a public purpose generally should not be forced to bargain with the Agency to obtain an offer of the full amount determined to represent the fair compensation of his property. The policy, thus, recognizes that a public entity armed with the power of eminent domain has a public duty in its negotiations with owners to protect not only the public interest but also to safeguard the rights and interests of the owners.

The Agency's real estate representative, accordingly, must recognize that the central purpose of his negotiations of purchase prices should be to induce each owner to sell his property to the Agency at a price that represents the compensation that the owner would be entitled, under eminent domain law, to receive and the Agency would be obligated, under such law, to pay. With that objective in mind, negotiations will be conducted as they should be--from the viewpoint of seeking agreement as to fair compensation, rather than as a bargaining procedure that puts the Agency in competition against the negotiating ability of the owner.

In every case for which the prescribed negotiating policy is applicable, the owner shall be offered initially not less than "Fair Market Value" (FMV) of the property. In making the initial offer, the Agency or its real estate representative shall explain to the owner in a personal interview, if feasible, the policy of offering owners initially, and without any bargaining, the full price determined on the basis of competent appraisals to be fair compensation for the property.

Before, or preferably during, the first interview, each owner shall be furnished a written statement of the amount and the terms and conditions of the offer and an explanation of the steps the Agency will take if the owner elects to reject the Agency's offer. Merely sending a letter to an owner-occupant, or a nonowner-occupant residing in the same locality, is not enough. Effective personal negotiations are as necessary, if not more essential, under a full-fair-offer procedure, as when using the conventional trading method of negotiation.

The Agency's real estate representatives and staff members who will have dealings with property owners must be able to explain the Agency's policy and be able to assure owners that the Agency's policy is to protect the interests of the owners as well as the public interest. The real estate representative who negotiates with an owner must understand thoroughly the steps taken and the method used to determine the price offered to the owner; and he must be able to explain the process convincingly to the owner. His approach to the owner must never be an arbitrary one. But he must make it clear to the owner, on the other hand, that the offer is the full amount determined by the Agency, if appropriate, to be the compensation that the owner is entitled to receive for his property and that the offer will not be changed unless evidence that the offered price is not sound is furnished by the owner, or otherwise found by the Agency to exist.

The policy must never be regarded or explained by negotiators, or anyone else, as requiring or establishing an inflexible one-price system. Because the objective is the payment of fair and proper compensation, price adjustments can be made; and they should be proposed by the Agency whenever needed to correct a previously established acquisition price for a property. If an error in appraisal or other justification for revising an acquisition price is discovered, the Agency shall seek a revision.

NEGOTIATIONS REQUIRED BEFORE CONDEMNATION

This Policy Statement commits the Agency, in its acquisition of real property for the project, to "make every reasonable effort to acquire each property by negotiated purchase before instituting eminent domain proceedings against the property." This means that (1) the Agency, directly or through its real estate representative, must make a diligent, conscientious effort to induce the owner to accept a fair and proper price for his property; and, (2) if that effort is unsuccessful, the Agency shall make a final offer to the owner in writing. The final offer shall include a final offer from the Agency to purchase the property and a notification of the date on which the Agency intends to institute eminent domain proceedings if agreement cannot be reached on the purchase of the property within the time specified.

The Agency shall offer the owner up to a 10% increase in the FMV prior to instituting condemnation procedures for failure to reach an agreement on price. Any negotiation or offer in excess of 10% must have board or governing body approval in the form of a resolution prior to the Agency making the offer in writing.

PAYMENT OF FAIR PRICES

The price paid for the acquisition of each property must be supported by the records of the Agency as being not less than the "Fair Market Value" of the property. This requirement that the Agency's price determination be properly documented does not place the Agency under any obligation to disclose its appraisals or other supporting documents or records.

The price for property must, of course, also be changed if the value of the property has been significantly enhanced or reduced due to a change in the physical property from its condition or character when appraised.

PROTECTION OF INTERESTS OF OWNERS AND OCCUPANTS

To minimize hardships and soften the impact of real estate acquisition on property owners, the occupants and any persons employed on the premises, the Agency shall:

1. Take appropriate steps to ensure, insofar as possible, that all tenants as well as property owners are provided full information regarding the contemplated property acquisition and are given as much advance notice as possible of the time the Agency expects to require possession of the properties. (See "Taking Possession," following).
2. Endeavor to obtain an agreement of sale on each property as soon as feasible after opening acquisition negotiations in the project area.
3. Permit the owner in the agreement of sale to determine, to the extent practicable, the dates for closing and delivery clearance and disposal operations.
4. In the negotiation of agreements for the acquisition of owner-occupied properties and properties occupied by businesses and institutions, give early and special attention to the timing of both the acquisition of title and delivery of possession, so as to minimize any adverse effect of the acquisition on the occupants and any employees.
5. Make full use of the procedures below under the heading of "Reservation of Rights in Vendor" as a means of reducing or eliminating hardship on owners and leasees.

TAKING POSSESSION

The Agency will not require any person lawfully occupying property to surrender possession:

1. Without at least 90 days written notice from the Agency of the date on which possession will be required. If the property is acquired through eminent domain proceedings, the 90-day notice shall not be given prior to the date on which the Agency acquires title to, or right to possession of, the property. If the Agency has entered into an agreement with the owner to purchase the property, the date set in the notices to tenants for surrendering possession shall not be earlier than the date on which the owner is obligated under the agreement, to deliver title or the right to possession to the Agency. An agreement on the time for delivering possession in a contract with an owner for the purchase of his property fulfills the requirement for notice to him as an occupant.
2. Until the Agency (1) pays, or causes to be paid, to the owner the agreed purchase price arrived at by negotiation, or (b) in cases in which the amount of payment is in dispute, deposits with the court either 75% or more of the appraised fair market value as approved by the Agency or 75% or more of the court-appointed appraiser's award, whichever amount is greater. (See "Payment to Owner Before Taking Possession," below.)

ACCEPTANCE OF OFFERS OF OWNERS

Offers of owners shall be accepted or rejected promptly if the Agency is in the negotiating state and if necessary funds are available. Before accepting an offer to sell (or to stipulate the value of a property in a condemnation proceeding), the Agency shall:

1. Determine that the price, terms, and conditions of the offer are within the established "fair market" price.
2. Inspect the property and ascertain that it conforms substantially to the property as appraised.
3. Approve and authorize acceptance of the offer by resolution, if the acquisition was not previously authorized.

TERMS AND CONDITIONS

Each property shall be acquired on the following basis and the agreement for the purchase (or any stipulation of the Agency in a condemnation proceeding) shall so provide that: