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BY-LAWS
OF THE DOWNTOWN DEVELOPMENT AUTHORITY
OF THE CITY OF ANN ARBOR

Article I - Name

The name of this authority is the Downtown Development Authority (DDA) of the City of Ann Arbor.

Article II - Purpose

The purpose of the Downtown Development Authority is to act in accordance with the provisions of Act 197 of the Public Acts of 1975 as amended. The Authority shall have all the powers which now or hereafter may be conferred by law on authorities organized under this Act. The overall goal of the Authority is to undertake public improvements and other activities that have greatest impact in strengthening the downtown area and attracting new private investments to the DDA area.

Article III - Officers

Section 1. The officers of the Board shall be a Chair, a vice Chair, a treasurer, and a recording secretary. All officers shall be members of the Board, with the exception of the recording secretary who need not be a member of the Board.

Section 2 - Removal of Officers. An officer may be removed by the Board whenever in its judgment the best interest of the Board will be served.

Section 3 - Chair. The Chair shall preside at all meetings of the Board and

shall discharge the duties as a presiding officer.

Section 4 - Vice Chair. In the absence of the Chair or in the event of inability to serve as Chair, the vice Chair shall perform the duties of the Chair and when so acting, shall be subject to all the restrictions of the Chair.

Section 5 - Treasurer. The treasurer or a designee shall prepare, with the assistance of appropriate City officials, an annual financial report covering the fiscal year of the Authority. The fiscal year of the Authority shall be the same as that of the City, July 1 to June 30. An annual audit will be made each year as part of the regular City audit.

Section 6 - Recording Secretary. The recording secretary or a designee shall attend all meetings of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose. The recording secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board. The recording secretary shall, when authorized by the Board, attest by signature to actions of the Board.

Section 7 - Delegation of Duties of Officers. In the absence of any officer of the corporation, the Authority may delegate the powers and duties of any officer to any director provided a majority of the Authority then in office concurs therein.

Section 8 - Election of Officers. Nominations shall be made from the floor at the annual meeting in July. The term of office shall be for one year and begin at the close of the annual meeting at which they are elected. No member shall hold more than one office at a time.

Section 9 – DDA Executive Director. The Executive Director shall be responsible for the day-to-day operations of the Authority, including the hiring and conditions of employment of staff; the creation and oversight of financial systems; relations with other governmental entities and the public; and the overall substantive work of the Authority. The Executive Director shall report regularly to the Board on these issues. The Board of Directors shall provide policy direction to the Executive Director and shall review and approve major expenditures. The Executive Director shall serve through a contract approved by the Board. The Executive Director acts on the authority of the Board of Directors as set forward in this document.

Article IV - Meetings

Section 1 - Annual Meeting. An annual meeting shall be held the first regular meeting in July at a time and place to be set by the Board. Election of officers shall occur at the annual meeting. If the election of officers does not

occur at the annual meeting, the Board shall cause the election to be held at a regular or special meeting of the Board within 90 days of the Annual Meeting.

Section 2 - Regular Meetings. Regular meetings of the Board shall be held at a time and place to be set by the Board. At least six regular meetings per year shall be held. The Board records shall be open to the public. It is expected that each Board member will attend a minimum of 70% of regular meetings per year as a condition of serving on the DDA Board.

Section 3 - Special Meetings. Special meetings of the Board may be called by the Chair, the vice Chair in the absence of the Chair, or by any three Authority members by giving 24 hours notice of the meeting, stating the purpose of the meeting and by posting a notice 18 hours prior to the meeting in the lobby of City Hall.

Section 4 - Notice of Meetings. All meetings shall be preceded by public notice posted 18 hours prior to the meeting in accordance with Act 267 of the Public Acts of 1976 as amended.

Section 5 - Agenda. The recording secretary shall prepare the agendas for all meetings and send them to the Board members at least 24 hours prior to the meeting. Any member of the Board may request any item to be placed on the agenda.

Section 6 - Quorum and Voting. A majority of the members of the Board in office shall constitute a quorum for the transaction of business. A vote of seven members shall constitute the action of the Board unless the vote of a larger number is required by statute, or elsewhere in these rules. In the event that effective membership is reduced because of a conflict of interest, a majority of the remaining members eligible to vote shall constitute the action of the Board. In no event shall less than five affirmative votes constitute action of the Board.

Section 7 - Rules of Order. Robert's Rules of Order will govern the conduct of all meetings.

Section 8 - Open and Closed Meetings. All regular and special meetings of the Board shall be open to the public. Closed meetings of the Board may be called for purposes listed in the Open Meetings Act 267 of the Public Acts of 1976 as amended if approved by the Authority.

Section 9 - Conflict of Interest. A director who has a conflict of interest in any manner before the Board shall disclose that interest prior to the corporation taking any action with respect to the matter. This disclosure shall become part of the record of the Board's official proceedings. Any member

making such disclosure shall then refrain from participating in the Board's decision-making process relative to such matters.

Section 10 - Requests for Funding. The Board may not act upon a request for funding unless the request has been referred to a committee of the Board for review and recommendation. In the event that a committee has not made a recommendation to the Board within 60 days from the time that the request was first presented to the Board, the Board may, by majority vote, bring the proposal to the Board for consideration without benefit of the committee recommendation.

Article V - Executive Committee

The officers of the Board, including Chair, Vice Chair, Treasurer and Recording Secretary shall constitute the executive committee. The last former Chair shall be a non-voting member **and the Executive Director shall be a non-voting ex officio member of this committee.** ~~The executive committee shall have general supervision of the affairs of the Board of Directors of the Authority between its business meetings, fix the hours and place of meetings, make recommendations to the Board, and shall perform such other duties as specified in these By-Laws or as may be specified by the Board.~~ **The executive committee shall fix the hours and place of meetings, make recommendations to the Board, and shall perform such other duties as specified in these By-Laws or as may be specified by the Board**

Article VI - Board Committees and Advisory Committees

Section 1 - Board Committees. The Board, by resolution, may designate and appoint one or more committees to advise the Board. Committee members shall be members of the Board. **Any board member may serve on any standing committee of the Board.** The Chair of the Board shall appoint the members and select the chair of the Board committees **and will solicit volunteers to chair the standing committees. Any committee member may add an agenda item to a committee meeting agenda.** The committees may be terminated by vote of the Board. At the annual meeting, the committees will be evaluated and reappointed or dissolved. A majority of the committee will constitute a quorum. A majority of the members present at the meeting at which a quorum is present shall be the action of the committee. As the work of the DDA is done primarily through Committee, it is expected that each Board member will actively serve on at least one committee, and will attend a minimum of 70% of the committee's meetings per year as a condition of remaining on the DDA Board.

Section 2 - Advisory Committees. The Board may, by resolution, authorize the establishment of advisory committees to the Board. The Chair shall select, with the advice and consent of the Board members, the members of

each advisory committee. The advisory committees shall elect their own officers and establish rules governing their actions.

Article VII - Indemnification

Section 1 - Indemnification. Whenever any claim is made or any civil action is commenced against any member, officer or employee of the Authority, or injuries to persons or property caused by the negligence of the officer or employee while in the course of their employment, and while acting within the scope of their authority, the Board may, but is not required, to pay for legal services and also for any judgment or compromised settlement of the claim, pursuant to Act 170 of the Public Acts of 1964 as amended.

Section 2 - Reimbursement. Any indemnification under Section 1 shall be made by the Board only as authorized in the specific case upon a determination that indemnification of the member, employee or officer is proper in circumstances because they have met the applicable standard of conduct set forth in Section 1. Such determination shall be made in either of the following ways:

1. By a majority vote of the members of the Board who were not parties to such action, suit or proceeding, or
2. If such quorum is not obtainable, or even if obtainable, a quorum of disinterested members so directs, supported by the recommendation of legal counsel in a written opinion.

Section 3 - Insurance. The Board may purchase and maintain insurance on behalf of any person who is or was a director, member or officer of the corporation against any liability asserted against the officer or employee and incurred by them in any such capacity or arising out of their status as such, whether or not the Board would have power to indemnify that person against such liability under Sections 1 and 2 of this article.

Article VIII - Amendment of By-Laws

These By-Laws may be amended at any regular meeting of the Board by a majority vote, provided that the amendment has been submitted in writing at the previous regular meeting.