

BYLAWS
OF THE
MICHIGAN DOWNTOWN ASSOCIATION
Effective November 4, 2010

ARTICLE I **NAME AND PURPOSE**

SECTION 1. NAME. This association shall be known as the Michigan Downtown Association (“MDA”), operating under present and future laws as enacted by the Michigan State Legislature.

SECTION 2. PURPOSE. The purposes for which the MDA is organized are:

1. To encourage good development, redevelopment and improvement of communities throughout the State of Michigan, with special emphasis on downtown areas within the State;
2. To conduct seminars and other educational programs concerning such development, redevelopment and improvement;
3. To provide a public forum for its members, the general public, State legislators and other public officials concerning such development, redevelopment and improvement;
4. To provide a forum for its members to share knowledge, common experience and problems facing the downtown areas within the State;
5. To promote and encourage the implementation of effective, comprehensive legal and financing techniques and devices to further such development, redevelopment and improvement, including particularly the use of tax increment financing;
6. To exercise all the powers conferred upon non-profit corporations formed under the laws of the State of Michigan in order to accomplish its charitable and educational purposes, including, but not limited to, the power to accept money or property, whether real or personal, or any interest therein, wherever situated.

SECTION 3. PROVISIO. Notwithstanding any other provision of these Bylaws, MDA shall not carry on any activity not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal laws.

ARTICLE II **MEMBERSHIP**

SECTION 1. CLASSIFICATION AND ELIGIBILITY OF MEMBERS.
The membership categories of MDA and eligibility for membership shall be as follows:

- A. FULL MEMBERS.** All municipal or quasi-municipal corporations, commissions or authorities having the responsibility for development, redevelopment or improvement of downtowns and urban centers shall be eligible to become a voting member of the MDA. Each entity that is in good standing shall have one vote.
- B. ASSOCIATE MEMBERS.** Any person or organization not described in subparagraph A. of this Section having an interest in furthering the purposes of MDA may become an associate member. Associate members shall have all rights of full members except that associate members may not serve on the Board or vote on issues before the Board or membership.

SECTION 2. INITIAL MEMBERSHIP IN GOOD STANDING. Any individual or organization interested in supporting the purpose of MDA shall be recognized as a member in good standing automatically upon filing an application for membership and payment in full of such annual dues as are then in effect. Membership status shall be determined according to Article II, Section 1.

SECTION 3. RENEWAL OF MEMBERSHIP. Each member may renew or extend its membership by payment of annual dues according to the dues statement sent each year.

ARTICLE III MEMBERSHIP DUES

The Board of Directors shall periodically establish and review the dues structure payable by subscribing members of the MDA. The Board may, at its discretion, establish differentiated rates for each category of membership.

ARTICLE IV MEMBERSHIP MEETINGS

SECTION 1. ANNUAL MEETINGS. An annual meeting of the membership shall be held before December 1 in each calendar year at such time and place as may be determined by the Board of Directors for the purpose of electing the Board of Directors for the next succeeding fiscal year, and for such other purposes and transacting such other business, as shall be determined by the Board of Directors.

SECTION 2. SPECIAL MEETINGS. The Chairperson, or twenty-five percent (25%) of the Board of Directors, or of the voting membership, shall have the power to call any special membership meeting at any time of the year with at least 7 days notice.

SECTION 3. NOTICE. All members shall be individually notified in writing of the agenda, time and place prior to all membership meetings.

SECTION 4. QUORUM. A quorum for any membership meeting shall consist of at least ten (10%) percent of the voting membership.

ARTICLE V BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS. The Board of Directors of MDA shall constitute its governing body. It shall manage, control and direct the affairs of and use of property of MDA and shall have all powers necessary to carry out the purposes of MDA under its Articles of Incorporation, the Bylaws, and the laws of the State of Michigan. The Board shall elect its officers from among the members of the Board of Directors at the annual meeting or at its first meeting of each fiscal year. The Board of Directors shall also have the power to hire or retain staff or consultants as is necessary.

SECTION 2. ORIGINAL BOARD OF DIRECTORS. The original and first Board of Directors of MDA shall consist of the individual named as such Director by the applicant for the incorporation of this Association. All Directors succeeding the original Board of Directors, including those persons chosen to fill any vacancy or newly created directorship, shall be elected by and from the full members of the MDA.

SECTION 3. COMPOSITION: ELECTIONS. The Board of Directors shall be comprised of 13 members elected for four-year terms. Terms shall be staggered in a four-year election cycle, beginning in 2011, four members are elected in the first year, three members in the second year, three members in the third year, and three members in the fourth year of each election cycle. The term of a member shall end on November 30 of the year that the member's term expires.

Terms in December of 2010, shall be comprised of the following:

Four one year terms, expiring in 2011, elected in 2009;
Three, three year terms, elected in 2009 and expiring in 2012;
Three, three year terms, elected in 2010 and expiring in 2013;
Three, four year terms, previously elected and expiring in 2014;
in order to implement the desired staggering cycle.

2011- 4
2012 3
2013 3
2014 3
2015 4
2016 3
2017 3
2018 3
2019 4
2020 3
2021 3
2022 3

SECTION 4. QUALIFICATIONS. Each Director shall qualify either by accepting election as a Director in writing, or by acting at a meeting of the Board of Directors.

Members of the Board of Directors shall be currently employed by and the duly designated representative of a current full member of the MDA, and shall have three (3) years of experience as a paid professional employed by an organization(s) which meet(s)

the qualifications for full membership of the MDA, as described in Article 11, Section 1 (A) of these bylaws.

In the event a Director fails to attend three (3) consecutive meetings, or if a Director is no longer the duly designated representative of the voting member selected to serve on the Board, the Board shall have the power to declare the position of that member vacant and to fill that vacancy.

SECTION 5. MEETINGS. The meetings of the Board of Directors shall be held at such time and place as selected by the Chairperson, or by petition of twenty-five (25%) percent of the Board of Directors, with due notice in writing to all members of the Board of Directors.

SECTION 6. QUORUM. A quorum for a meeting of the Board of Directors shall consist of a majority of the Board.

SECTION 7. VACANCIES. The Board of Directors shall have the power to fill vacancies on the Board for the remainder of the unexpired term, either by requesting the member whose representative is no long eligible to serve to appoint an immediate replacement, or by appointing another voting member of the MDA to serve for the remainder of the unexpired term.

SECTION 8. VOTING. Each Director shall be entitled to one vote upon each matter submitted to a vote at a meeting of the Board of Directors. There shall be required for adoption of any action of the Board of Directors the majority vote of the Directors attending said meeting.

SECTION 9. DISSENTS. A Director who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action unless such Director's dissent shall be entered in the minutes of the meeting or unless such Director shall file a written dissent to such action with the person acting as Secretary of MDA immediately after adjournment of the meeting. It shall be the duty of the Secretary to record such dissents in MDA minutes at the appropriate place. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE VI OFFICERS

SECTION 1. OFFICERS; ELECTION AND TERMS. The Board of Directors shall elect each year a Chairperson, Vice-Chairperson, Secretary, and Treasurer.

SECTION 2. CHAIR. The Chairperson of the MDA shall preside at all meetings, and shall perform such duties as are customary to the Office of the Chairperson. The Chairperson shall also make the annual report available to the membership at the annual meeting.

SECTION 3. VICE-CHAIRPERSON. The Vice-Chairperson shall assist the Chairperson in the discharge of his/her duties. In the absence or incapacity of the

Chairperson, these duties shall be performed by the Vice-Chairperson, or if he/she is unable to act, next by the Secretary, next by the Treasurer.

SECTION 4. SECRETARY. The Secretary shall oversee the keeping of an accurate record of all meetings, see that all notices are duly given in accordance with these Bylaws and, as required by law, and in general, perform all duties customary to the Office of Secretary.

SECTION 5. TREASURER. The treasurer shall manage the finances of the organization, administer fiscal matters of the organization, provide an annual budget to the Board for members' approval, and ensure the development and Board review of financial policies and procedures.

SECTION 6. IMMEDIATE PAST CHAIR. The Immediate Past Chair shall serve on the Executive Committee as a voting member.

ARTICLE VII EXECUTIVE COMMITTEE

SECTION 1. POWERS. The Executive Committee shall exercise the powers and discharge the duties customary to their offices as provided by these Bylaws and shall have such additional authority as may be conferred upon them by the Board of Directors. The Executive Committee shall keep regular minutes of its proceedings and shall report the same to the Board at its next meeting or more often if appropriate. A report of any executive proceedings shall be available upon request by any member of MDA. Vacancies in the membership on the Executive Committee shall be filled by the Board of Directors for the remainder of the unexpired term at a regular or special meeting.

SECTION 2. COMPOSITION. The Executive Committee of MDA shall be members of the Board of Directors and shall be the Chairperson, Vice-Chairperson, Secretary, Treasurer and Immediate Past Chair.

SECTION 3. TERM. The term of office for Executive Committee members shall be coterminous with the terms of the officers of MDA.

SECTION 4. QUORUM. A quorum for a meeting of the Executive Committee shall consist of a majority of the Executive Committee.

ARTICLE VIII EXECUTIVE DIRECTOR

SECTION 1. The Board may employ and fix the compensation of an Executive Director. The Executive Director shall serve at the pleasure of the Board. A member of the Board is not eligible to hold the position of Executive Director. The Executive Director shall be the Chief Executive Officer of the MDA. Subject to the approval of the Board, the Executive Director shall supervise, and be responsible for, performance of the functions of the MDA.

ARTICLE IX COMMITTEES

SECTION 1. CREATION. The Board of Directors may create committees of its members or of other persons. The Committees shall have such authority as the Board may decide and these Bylaws permit.

ARTICLE X GENERAL PROVISIONS

SECTION 1. CHECKS. All checks, drafts, or other orders for payment shall be signed by such officers or such other person or persons on the Board of Directors may from time to time designate. All checks will require two authorized signatures.

SECTION 2. GIFTS. The Board of Directors may accept on behalf of MDA any contribution, gift, bequest, or devise for purposes of MDA.

SECTION 3. FISCAL YEAR. The fiscal year of MDA shall be from October 1st to September 30th of each year.

SECTION 4. AUDITING OF THE BOOKS. The Board of Directors shall cause the accounts of MDA to be audited annually by a certified public accountant, and a full statement of the finances shall be submitted annually to each member of the Board and made available to any member upon request.

SECTION 5. INDEMNIFICATION.

1. **Nonderivative Actions.** Subject to all of the other provisions of this article, MDA shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of MDA). Such indemnification shall apply only to a person who was or is a director or officer of MDA, or who was or is serving at the request of MDA as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of MDA or its members. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of MDA or its members or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.
2. **Derivative Actions.** Subject to all of the provisions of this article, MDA shall indemnify any person who was or is a party to, or is threatened to be made a party

to, any threatened, pending, or completed action or suit by or in the right of MDA to procure a judgment in its favor because (a) the person was or is a director or officer of MDA or (b) the person was or is serving at the request of MDA as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether or not for profit. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of MDA or its members. However, indemnification shall not be made for any claim, issue, or matter in which such person has been found liable to MDA unless and only to the extent that the court in which such action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

3. **Expenses of Successful Defense.** To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in sections 1 or 2 of this article, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this article.
4. **Contract Right; Limitation on Indemnity.** The right to indemnification conferred in this article shall be a contract right and shall apply to services of a director or officer as an employee or agent of MDA as well as in such person's capacity as a director or officer. Except as provided in section 3 of this article, MDA shall have no obligations under this article to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the Board.
5. **Determination That Indemnification Is Proper.** Any indemnification under sections 1 or 2 of this article (unless ordered by a court) shall be made by MDA only as authorized in the specific case. MDA must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in sections 1 or 2 of this article, whichever is applicable. Such determination shall be made in any of the following ways:
 - A. By a majority vote of a quorum of the Board consisting of directors who were not parties to such action, suit, or proceeding.
 - B. If the quorum described in clause (a) above is not obtainable, then by a committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested directors.
 - C. By independent legal counsel in a written opinion.

D. By the members.

6. **Proportionate Indemnity.** If a person is entitled to indemnification under sections 1 or 2 of this article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, MDA shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.
7. **Expense Advance.** Expenses incurred in defending a civil or criminal action, suit, or proceeding described in sections 1 or 2 of this article may be paid by MDA in advance of the final disposition of the action, suit, or proceeding on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by MDA. The undertaking shall be a general obligation of the person on whose behalf advances are made but need not be secured.
8. **Nonexclusivity of Rights.** The indemnification or advancement of expenses provided under this article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with MDA. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.
9. **Indemnification of Employees and Agents of MDA.** MDA may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of MDA to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of directors and officers of MDA.
10. **Former Directors and Officers.** The indemnification provided in this article continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of that person.
11. **Insurance.** MDA may purchase and maintain insurance on behalf of any person who (a) was or is a director, officer, employee, or agent of MDA or (b) was or is serving at the request of MDA as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. Such insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not MDA would have power to indemnify against such liability under this article or the laws of the state of Michigan.
12. **Changes in Michigan Law.** If there are any changes in the Michigan statutory provisions applicable to MDA and relating to the subject matter of this article, then the indemnification to which any person shall be entitled shall be determined by such changed provisions, but only to the extent that any such change permits

MDA to provide broader indemnification rights than such provisions permitted MDA to provide before any such change.

SECTION 6. EARNINGS OF MDA. No part of the net earnings of MDA shall be distributed to, or inure to the benefit of, any member, director or office of MDA, contributor or private individual. Upon the dissolution of MDA, the Board of Directors shall after paying or making provisions for the payment of all liabilities of MDA, dispose of all the assets of MDA, exclusively for the purposes of MDA in such a manner, or to such organization or organizations organized and operated exclusively for charitable, educational or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provisions of any subsequent federal tax laws), as members of MDA shall determine.

ARTICLE XI PROCEDURES

SECTION 1. PROCEDURES. The procedures of MDA shall be governed by Robert's Rules of Order, except where those rules conflict with the provisions of these Bylaws or state law.

SECTION 2. PARTICIPATION IN MEETINGS BY TELECOMMUNICATIONS. A member of the Board of Directors, or of a committee of Directors, may participate in a meeting by means of conference telephone or similar telecommunications equipment through which all persons participating in the meeting can communicate with the other participants. Participation in a meeting pursuant to this section constitutes presence in person at such meeting.

SECTION 3. WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of these Bylaws to any person or persons, a waiver thereof in writing signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Presence at any meeting, in person or by proxy, without objection to the manner in which notice of the meeting has been given, shall be deemed a waiver of notice thereof.

SECTION 4. ACTION TAKEN WITHOUT A MEETING. Any action which may be taken at any meeting of Members or Directors may be taken without a meeting if authorized in writing by all of the Members or Directors entitled to notice of such meeting.

ARTICLE XII AMENDMENTS

SECTION 1. AMENDMENTS. These Bylaws may be altered, amended, or repealed or new Bylaws may be adopted by a vote of the majority of the total number of members present at any annual or special meeting of the membership at which there is a quorum or by a vote of the majority of the Board of Directors at an annual or special meeting of the Board at which there is a quorum. At least 14 days written notice shall be given regarding the intention to alter, amend or appeal such Bylaws at such meeting.