

BY-LAWS OF
THE CITY OF LITCHFIELD
DOWNTOWN DEVELOPMENT AUTHORITY

ARTICLE I
ORGANIZATION AND AUTHORITY

ORGANIZATION. The City of Litchfield Downtown Development Authority ("DDA") is a public body corporate organized and existing pursuant to Act 197 of the Michigan Public Acts of 1975, as amended, and City of Litchfield Ordinance No. 97-3 amended, and possesses all of the powers granted by such Act, Ordinance, and other applicable law.

OFFICES. The Offices of the DDA shall be located at 221 Jonesville Street, Litchfield, Michigan 49252.

ARTICLE II
BOARD OF TRUSTEES

- A. MEMBERSHIP. The affairs of the DDA shall be governed by a Board of Trustees. The Board shall consist of nine (9) members. One member shall be the Mayor of the City of Litchfield. The remaining eight (8) Trustees shall be appointed by the Mayor of the City of Litchfield with the concurrence of the City Council.
- B. QUALIFICATIONS. At least five (5) of the Trustees shall be persons having an interest in property located in the downtown district. At least one of the Trustees shall be a resident of the downtown district if the downtown district shall have 100 or more persons residing within it. Any person who is in default to the City of Litchfield shall not be qualified to serve as a Trustee.
- C. TERM. Of the Trustees first appointed, two (2) shall be appointed for one (1) year, two (2) for two (2) years, two (2) for three (3) years and two (2) for four (4) years. A Trustee shall hold office until his or her successor is appointed. Thereafter, Trustee shall serve for a term of four (4) years.
- D. REMOVAL AND VACANCY. A Trustee may be removed for cause by the City Council, after notice and an opportunity to be heard. Removal of a Trustee is subject to review by the Circuit Court of Hillsdale County. The Board of Trustees may recommend to the City Council the removal of any member for cause, including the absence of such member for three (3) consecutive meetings of the Board. Any vacancy created by the resignation, death, or removal of a Trustee shall be filled

by appointment by the Mayor of the City of Litchfield with a concurrence of the City Council, for the unexpired term only.

- E. NOMINATING COMMITTEE. The DDA chairman shall appoint a nominating committee of not more than three (3) members to select persons to be recommended to the Mayor of the City of Litchfield for appointment to the Board of Trustees to fill a vacancy in office or to appoint or reappoint a Trustee for a new term. Provided, however, that the Mayor may appoint persons other than those nominated by the DDA Board.
- F. OATH OF OFFICE. Before assuming duties of Trustee, a member shall qualify by taking and subscribing to the constitutional oath of office.

ARTICLE III OFFICERS

- A. OFFICERS AND DUTIES. There shall be a Chairman, Vice Chairman, Secretary and Treasurer of the Board.
1. The Chairman shall preside at all meetings of the Board of Trustees, shall appoint such committees as are provided for in these By-Laws or as may be established by resolution of the Board, and shall have such other duties as granted under applicable law.
 2. The Vice Chairman shall assume all of the duties of Chairman in the absence of the Chairman. Upon the Chairman's resignation or removal, the Vice Chairman shall become Chairman.
 3. The Secretary shall be responsible for recording the minutes of all meetings of the Board, and shall maintain custody of the official seal of all records, books and documents or other papers not required to be maintained by the Treasurer, and shall perform such other duties delegated by the Board.
 4. The Treasurer shall keep the financial records of the DDA, and, together with the executive director, shall approve all vouchers for the expenditures of funds of the authority. The Treasurer shall be responsible for preparation of the annual budget and shall perform such other duties as may be delegated by the Board. The Treasurer shall furnish bond in an amount as prescribed by the Board.
- B. TERM The term of office for Chairman, Vice Chairman, Secretary and Treasurer shall be for two (2) years. If for any reason any office becomes vacant, the Board shall fill the vacancy for the unexpired term.

- C. GENERAL REQUIREMENTS Upon completion of the term of office, the officers shall turn over all books, documents, records, funds and other property of the DDA to their successors in office. The Board may require the bonding, in such amounts as may be deemed advisable, of any officer or employee of the DDA who is authorized to have access to the funds of the DDA.

Such bonds shall be with such sureties as may be approved by the Board in conformance with applicable law provided, however, that the premiums for such bond shall be paid out of the funds of the DDA.

ARTICLE IV EMPLOYEES

- A. EXECUTIVE DIRECTOR The Board may employ and fix the compensation of a Director, subject to the approval of the City Council. The Director shall serve at the pleasure of the Board. A member of the Board is not eligible to hold the position of Director. Before entering upon the duties, the Director shall take and subscribe to the constitutional oath, and furnish a bond in the sum determined by applicable law, approved by the Board. The premium on the bond shall be an operating expense of the DDA payable from DDA funds. The Director shall be the Chief Executive Officer of the DDA. Subject to the approval of the Board, the Director shall supervise and be responsible for the preparation of plans and the performance of functions of the DDA in a manner authorized by law. The Director shall attend the meetings of the Board and shall render to the Board and to the City Council a regular report covering the activities and financial conditions of the DDA. If the Director is absent or disabled, the Board may designate a qualified person as acting director to perform the duties of office.
- B. ADDITIONAL EMPLOYEES The Board, by resolution, in lieu of appointment of one of its members as Treasurer and one of its members as Secretary may employ and fix the compensation of a Treasurer and/or Secretary, who shall have the duties assigned to such offices.
- C. LEGAL COUNSEL The Board may retain legal counsel to advise the Board in the proper performance of its duties.
- D. OTHER PERSONNEL The DDA may employ such other personnel as it deems necessary to carry out its duties.

ARTICLE V MEETINGS

- A. REGULAR MEETINGS The Board of Trustees shall hold monthly meetings at a place, time and date designated by a majority vote. Special meetings may be called by the Chairman on 18 hours' notice. All business which the Board may perform

shall be conducted at a public meeting of the Board in compliance with the Open Meetings Act, Act No. 267 of the Public Acts of 1976, as amended. Public notice of the time, date and place of the meeting shall be given in the manner required by said Act by the Executive Director or the Secretary.

- B. QUORUM AND VOTING A majority of the Trustees shall be present in person at any meeting of the Board in order to constitute a quorum for the transaction of business at such meeting, and the act of a majority of Trustees present at such meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum, a majority of the Trustees present may adjourn such meeting from time to time until a quorum shall be attained. The conduct of the meetings of the Board shall be conducted in accordance with the latest edition of Robert's Rules of Order, and such other rules as the Board may, from time to time, adopt by resolution.

ARTICLE VI COMMITTEES

In addition to any committees provided for in these By-Laws, the Board may designate one or more other committees, which shall, in each case, consist of Trustees and shall have and exercise such powers and duties as the Board may determine in the respective resolutions designating such committees or from time to time. Provided, however, that such committees shall only have such powers as are permitted by applicable law.

ARTICLE VII BUDGET AND FINANCE

- A. FUNDING The activities of the DDA shall be financed from one or more of the sources specified in Section 11 of Public Act 197 of Public Acts of 1975, as amended.
- B. FISCAL YEAR The fiscal year of the DDA shall begin on July 1 of each year and end on June 30 of the following year, or such other fiscal year as may hereafter be adopted by the City of Litchfield.
- C. BUDGET The Board shall annually prepare a budget and shall submit it to the City Council on the same date that the proposed budget for the City is required to be submitted. The Board of Trustees shall not adopt a budget for any fiscal year until such budget has been approved by the City Council. The Board may, however, temporarily adopt a budget in connection with the operation of any improvements which have been financed by revenue bonds where required to do so by the Ordinance authorizing the revenue bonds.

- D. AUDIT The Authority shall be audited annually by the same independent auditors auditing the City and copies of the audit shall be filed with the City Council. The governing body of the City may assess a reasonable pro rata share of the funds for the cost of handling land auditing the funds against the funds of the Authority, other than those committed which cost shall be paid annually by the Board pursuant to an appropriate item in its budget.
- E. FINANCIAL REPORTS The Board shall submit financial reports to the City Council at the same time and on the same basis as departments of the City are required to submit reports. The DDA shall be audited annually by the same independent auditors auditing the City of Litchfield, and copies of the audit report shall be filed with the City Council.
- F. FINANCIAL RECORDS All expense items of the DDA shall be publicized monthly and the financial records shall be open to the public.

ARTICLE VIII
AMENDMENTS TO BY-LAWS

These By-Laws may be altered or amended by the affirmative vote of six (6) of the members of the Board of Trustees entitled to a vote at any regular or special meeting of the Board if notice of the proposed alteration or amendment be given to all members of the Board at least fourteen (14) days prior to the meeting.

These By-Laws were adopted at the regular meeting of the Board of Trustees of the City of Litchfield Downtown Development Authority held on _____, 1997.

Secretary

Attest:

Chairman