

THIRD AMENDED AND RESTATED
BY-LAWS OF
MIDTOWN COMMUNITY BENEFITS
DISTRICT MANAGEMENT AUTHORITY

Article I

Creation of Midtown Community
Benefits District Management Authority
September 22, 2014

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1.01 Name. Pursuant to Chapter 732 of the Laws of Maryland of 1994 and Chapter 655 of the Laws of Maryland of 1997 (collectively, the “Enabling Law”) and Ordinance No. 613 approved by the Mayor on July 18, 1995 and Ordinance No. 432 approved by the Mayor on June 1, 1999 (collectively, the “Ordinance”), the name of this organization is the “Midtown Community Benefits District Management Authority (hereinafter referred to as the “Authority”).

1.02 Location of Offices. The principal office of the Authority shall be located at such location as the Board of Directors may designate within the District.

1.03 Definitions. All terms defined in the Enabling Law and the Ordinance shall have the same definition herein unless expressly modified.

Article II

Board of Directors

2.01 Function of Directors. The business and affairs of the Authority shall be managed under the direction of its Board of Directors. All powers of the Authority shall be exercised by or through the Board of Directors, unless delegated by the Board of Directors to one or more officers thereof.

2.02 Composition of Board.

A. The Board of Directors of the Authority shall be composed of not less than fourteen (14), excluding vacancies, and no more than twenty-five (25) persons. Subject to limitations prescribed in the preceding sentence, the Board of Directors shall have the full authority to decrease or increase the number of directors.

B. At least two-thirds of the Board of Directors shall be composed of property owners or representatives of property owners subject to the tax imposed by the Ordinance.

2.03 Minimum Representation on Board. The following minimum representation shall be present on the Board of Directors:

- A. One voting member shall be appointed by the Mayor;
- B. One voting member shall be a member of the City Council appointed by the President of the City Council.
- C. At least two (2) voting members shall be from each of the following constituent organizations within the District: Charles-North Community Association, Madison Park Improvement Association, Mt. Royal Improvement Association and Mt. Vernon - Belvedere Improvement Association. The President of each Association (or his/her written designee) and one other member of such Association selected by such Association shall serve as members of the Board of Directors, provided that the President of an Association may not designate another person to fill his/her position as a member of the Board of Directors and also serve as a member of the Board of Directors in another capacity, e.g. as the other representative of the Association or as an at large voting member of the Board of Directors. Each Association may remove or replace its representation on the Board of Directors at any time by written notice to the Authority.
- D. The Board of Directors shall contain four (4) at large voting members elected pursuant to Section 2.06 of these By-Laws.

2.04 Additional Board Members Permitted. The Board of Directors may contain additional members from the following constituent groups, as determined by the Board from time to time:

- A. Up to four (4) members from the neighborhood associations bordering the District, the Downtown District Authority and the Charles Village Community Benefits District Authority, who shall be voting or non-voting as determined by the Board from time to time;
- B. Up to three (3) voting members from the churches and non-profit organizations within the District which make voluntary contributions to the District; and
- C. Up to four (4) voting members representing constituencies which the Board determines in its discretion will enhance the Authority's success in furthering the broad objectives of improving and enhancing public services throughout the District, including (by way of example only) retail merchants, major employers, professionals practicing in the District and residential tenants.

2.05 Appointment of Members by the Board. Not later than December 31 of each year, the existing Board of Directors may make appointments, in accordance with the Ordinance and these By-Laws, of persons to serve as additional members of the Board of Directors as permitted by Section 2.04 of these By-Laws for a term commencing on January 1 of the following year. Before completing its appointments each year, the Board of Directors shall ensure that the composition of its membership is consistent with the provisions of Section 2.02 of these By-Laws. Notwithstanding the foregoing, the Board of Directors may make appointments, in accordance with the Ordinance and these By-Laws, of persons to serve as additional members of the Board of Directors at any time during the year for a term commencing as determined by the Board of Directors.

2.06 Election of At Large Voting Members of the Board.

- A. Four (4) at large voting members of the Board of Directors shall be elected each year at a public meeting held in the Fall open to all persons in the Midtown Community Benefits District who are eligible voters, one (1) from each of the four (4) sectors described in subsection C. below. In order to be eligible for election as an at large voting member of the Board of Directors, an individual must be an

eligible voter (as defined in subsection E. below) who resides in, owns taxable property in, or is a representative of a taxable property owner in the sector within the District which such individual seeks to represent.

B. The Board of Directors shall solicit written nominations for the four (4) at large voting members of the Board of Directors. At the Fall Public Meeting, the Board of Directors shall present to those eligible voters in attendance the nominees for each sector within the District. Nominations may also be made from the floor of the meeting of any person eligible to serve as a member of the Board of Directors, which eligibility shall have been established, prior to the commencement of the meeting, to the satisfaction of the officer of the Board of Directors presiding at the meeting.

C. The at large voting members of the Board of Directors shall be elected by all of the eligible voters in attendance. Each of the at large members shall represent a sector within the Midtown Community Benefits District delineated as follows:

(i) Charles-North Sector:

(1) On the east, a line beginning at the intersection of the centerline of I-83 and the west side of Calvert Street; then north on the west side of Calvert Street to intersect with the north side of North Avenue; then

(2) west on the north side of North Avenue except that the properties in the 1900 block of North Charles Street and the 1900 block of St. Paul Street shall be included; then

(3) continuing west on the north side of North Avenue to the west side of Charles Street; then

(4) north on Charles Street to the southwest corner of Charles Street and 20-1/2 Street; then

(5) west on the south side of 20-1/2 Street to the east side of Howard Street; then

(6) south on Howard Street to the southeast corner of North Avenue and Howard Street; then

(7) west on the south side of North Avenue to intersect with the centerline of I-83; then

(8) southeast along the centerline of I-83 to intersect with the centerline of Charles Street; then

(9) south along the centerline of Charles Street to intersect with the centerline of Mt. Royal Avenue; then

(10) east along the centerline of Mt. Royal Avenue to intersect with the west side of Calvert Street; then

(11) north on the west side of Calvert Street to the point of beginning.

(ii) Madison-Park/State Office Complex Sector:

(1) On the north, a line beginning at the intersection of the south side of North Avenue and the centerline of Morris Street; then west on the south side of North Avenue to intersect with the southeast side of Gold Street; then

(2) southwest on the southeast side of Gold Street to intersect with the northeast side of Tiffany Alley; then

(3) southeast on the northeast side of Tiffany Alley to intersect with the northwest side of Dolphin Street; then

(4) northeast on the northwest and north sides of Dolphin Street to intersect with the northeast side of Madison Avenue; then

(5) southeast on the east side of Madison Avenue to intersect with the centerline of Martin Luther King, Jr. Boulevard; then

(6) northeast on the centerline of Martin Luther King, Jr. Boulevard to intersect with the centerline of Howard Street; then

(7) north on Howard Street to intersect with the center line of Dolphin Street; then

(8) west and southwest on the centerline of Dolphin Street to intersect with the centerline of Morris Street; then

(9) northwest on the centerline of Morris Street to the point of beginning.

(iii) Bolton Hill Sector:

(1) On the north, a line beginning at the intersection of the south side of North Avenue and the centerline of I-83; then west on the south side of North Avenue to intersect with the centerline of Morris Street; then

(2) southeast on the centerline of Morris Street to intersect with the centerline of Dolphin Street; then

(3) northeast and east on the centerline of Dolphin Street to intersect with the centerline of Howard Street; then

(4) north on the centerline of Howard Street to intersect with the centerline of Dolphin Lane; then

(5) northeast on the centerline of Dolphin Lane to intersect with the centerline of Mt. Royal Avenue; then

(6) southeast on the centerline of Mt. Royal Avenue to intersect with the centerline of Oliver Street; then

(7) east on the centerline of Oliver Street to intersect with the centerline of North Charles Street; then

(8) north on the centerline of North Charles Street to intersect with the centerline of I-83; then

(9) northwest along the centerline of I-83 to the point of beginning.

(iv) Mt. Vernon-Belvedere Sector:

(1) On the south, a line beginning at the point of intersection of the centerlines of Franklin Street and Park Avenue; then east along the north side of Franklin Street to intersect with the property line between Lot 4 and Lot 5 of Block 551; then

(2) north along that property line continuing across Hamilton Street to intersect with the north side of Centre Street; then

(3) east on the north side of Centre Street to intersect with the center line of I-83; then

(4) north along the centerline of I-83 to intersect with the west side of Calvert Street; then

(5) south on the west side of Calvert Street to intersect with the centerline of Mt. Royal Avenue; then

(6) west on the centerline of Mt. Royal Avenue to intersect with the centerline of Charles Street; then

(7) north on the centerline of Charles Street to intersect with the centerline of Oliver Street; then

(8) west on the centerline of Oliver Street to intersect with the centerline of Mt. Royal Avenue; then

(9) northwest on the centerline of Mt. Royal Avenue to intersect with the centerline of Dolphin Lane; then

(10) southwest on the centerline of Dolphin Lane to intersect with the centerline of Howard Street; then

(11) south on the centerline of Howard Street to intersect with the centerline of Martin Luther King, Jr. Boulevard; then

(12) southwest on the centerline of Martin Luther King, Jr. Boulevard to intersect with the northeast side of Read Street; then

(13) southeast on the northeast side of Read Street to intersect with the east side of Tyson Street; then

(14) south on the east side of Tyson Street to intersect with the south side of Monument Street; then

- (15) west on the south side of Monument Street to intersect with the east side of Howard Street; then
- (16) south on the east side of Howard Street to intersect with the north side of Centre Street; then
- (17) east on the north side of Centre Street to intersect with the east side of Park Avenue; then
- (18) south on the east side of Park Avenue to the point of beginning.

D. The nominee from each sector receiving the highest number of votes of those eligible voters attending the Fall Public Meeting shall be elected to serve as a member of the Board of Directors.

E. The term “eligible voter(s)” shall mean for purposes of the election of at large voting members of the Board of Directors any person who resides in the District, owns property in the District subject to the tax imposed by the Ordinance, or is a representative of a property owner subject to the tax imposed by the Ordinance.

2.07 Term of Office. Any position on the Board of Directors described in Section 2.03 of these By-Laws that is held by an appointee of the Mayor or the President of the City Council or that is allocated to a specified community association shall be held by the individual who holds the appointment, designation or selection at any given point in time. The term of any other director shall begin on January 1 of the year following his/her election. Each at large voting member of the Board of Directors elected pursuant to Section 2.06 of these By-Laws and each member appointed by the Board of Directors pursuant to Section 2.05 of these By-Laws shall have a one-year term, in each case continuing until his/her successor is elected and qualifies. Members of the Board of Directors shall be eligible for reappointment or reelection, provided that no individual other than a member who is appointed by the Mayor or by the President of the City Council or who is the President of a specified community association shall serve as a director for more than five (5) consecutive years. Any member who is appointed by the Mayor or by the President of the City Council or who is the President of a specified community association shall be eligible to serve as a director for an unlimited term.

2.08 Removal. In the event a member of the Board of Directors is not present at three (3) or more consecutive meetings without just cause, as determined by the Board of Directors in its sole discretion, the Board of Directors may, by a two-thirds vote of members present and voting, remove such Director. In addition, the Board of Directors may, by a two-thirds vote of members present and voting, remove a member for cause, as determined by the Board of Directors in its sole discretion.

2.09 Vacancies. In the event of resignation, expiration, removal or other departure from the Board of Directors of a member not appointed by an elected official or allocated to a specific community association, a majority of the remaining directors, whether or not sufficient to constitute a quorum, may fill a vacancy on the Board of Directors. A director appointed by the Board of Directors to fill a vacancy shall serve through December 31 of the year in which he/she is first appointed or such later time as his/her successor is elected and qualifies. Vacancies in the members appointed by an elected official or allocated to a specified community association shall be filled by such official or association.

2.10 Meetings.

A. Meetings. The Board of Directors shall hold at least six (6) monthly meetings each calendar year.

B. Special Meetings. Special meetings of the Board of Directors may be called at any time by the Chair or by a majority of the Board of Directors by vote at a meeting, or in writing with or without a meeting. A special meeting of the Board of Directors shall be held on such date and at any place as may be designated from time to time by the Board of Directors. In the absence of designation, such meeting shall be held at such place as may be designated in the call.

C. Spring and Fall Public Meetings. In addition, the Board of Directors each year shall hold two public meetings, one in the Spring (the Spring Public Meeting) not later than March 31 and one in the Fall (the Fall Public Meeting) not later than October 31. Among other business that the Board of Directors may conduct, at the Spring Public Meeting, the Board of Directors shall present the financial plan in accordance with Section 5.02 of these By-Laws, and at the Fall Public Meeting, the Board of Directors shall conduct the election of at large voting members of the Board of Directors in accordance with Section 2.06 of these By-Laws.

D. Notice of Meeting of Board of Directors. The Secretary shall give notice to each director of each regular and special meeting of the Board of Directors. The notice shall state the time and place of the meeting. Notice is given to a director when it is delivered personally to him/her, left at his/her residence or usual place of business, or sent by facsimile transmission, telephone or e-mail, at least twenty-four (24) hours before the time of the meeting or, in the alternative sent by mail to his/her address as it shall appear on the records of the Authority, at least seventy-two (72) hours before the time of the meeting. Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

E. Meeting by Conference Telephone. Subject to Section 2.14 (Open Meetings), members of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting.

F. Notice of Spring and Fall Public Meetings. The Board of Directors shall give notice of the Spring and Fall Public Meetings by publishing notice of the date, time, and place in a newspaper of general circulation in Baltimore City at least once a week for three consecutive weeks prior to the date of the public meeting and by any other means of notice that the Board of Directors may deem appropriate. The notice for the Spring Public Meeting shall also state that the financial plan for the upcoming fiscal year will be presented. The notice for the Fall Public Meeting shall also state that elections for four (4) at large voting members of the Board of Directors will take place at the meeting, shall solicit written nominations for election as an at large voting member of the Board of Directors, and shall otherwise provide information concerning the nomination and election process.

2.11 Compensation. Unless otherwise specified by resolution of the Board of Directors, no compensation shall be paid to directors for attendance at each regular or special meeting of the Board of Directors. A director who serves the Authority in any capacity other than as a director may receive compensation for such services, pursuant to a resolution of the directors.

2.12 Quorum and Voting. The actual presence of a majority of the voting members shall constitute a quorum for all regular and special meetings of the Board of Directors. Each voting member of

the Board of Directors shall have one vote. The act of a majority of voting members in attendance at a Board of Directors meeting at which a quorum is present shall be the act of the entire Board of Directors.

2.13 Transactions with Directors. No contract or other transaction between the Authority and any member of its Board of Directors or between the Authority and any corporation, firm or other entity in which any member of its Board of Directors is a director or has a material financial interest shall be valid and enforceable against the Authority unless:

A. The fact of the common directorship or interest is disclosed or known to the Board of Directors, and the Board of Directors authorizes, approves and ratifies the contract or transaction by the affirmative vote of a majority of disinterested members of the Board of Directors, even if the disinterested members constitute less than a quorum; or

B. The contract or transaction is fair and reasonable to the Authority.

If a contract or transaction is not authorized, approved or ratified as provided for in subsection A. above, the person asserting the validity of the contract or transaction bears the burden of proving that the contract or transaction was fair and reasonable to the Authority at the time it was entered into.

2.14 Open Meetings. The Board acknowledges that it is a public body under the “Open Meetings Act,” Title 10, Subtitle 5 of the State Government Article of Md. Ann. Code (2004 Replacement Volume, 2008 Cum. Supp.), as from time to time amended. To the extent a meeting of the Board of Directors is subject to the provisions of the Open Meetings Act, the provisions for notice and other requirements in the Open Meetings Act shall be complied with, and the Board shall determine how such compliance shall be effected.

Article III

Committees

3.01 Committees. The Board of Directors may appoint from among its members an Executive Committee, a Finance Committee, a Personnel Committee, a Nominating Committee and any other committees composed of two or more directors to perform such assignments as may be requested by the Board. The Executive Committee shall consist of the Chair, the Vice Chair, the Secretary and the Treasurer of the Authority and such other members of the Board of Directors as the Board shall from time to time determine. The membership of all other Committees shall be recommended by the Chair, but shall be subject to the approval of the Board of Directors.

Article IV

Officers and the Administrator

4.01 Officers. The Nominating Committee shall nominate, and the Board of Directors shall elect from among its members, individuals to serve, at the pleasure of the Board, as Chair, Vice Chair, Treasurer and Secretary of the Authority, delegating to such individuals such responsibilities as the Board of Directors deems appropriate.

4.02 Term of Office. Officers shall be elected annually at the first regular meeting of the Board of Directors in each calendar year for a term of one (1) year or until his/her successor takes office after having been duly elected.

4.03 Chair. The Chair shall preside at meetings of the Board of Directors. The Chair may sign and execute, in the name of the Authority, all instruments related to the Authority's affairs, except in cases in which the signing and execution thereof shall have been expressly delegated to some other officer or agent of the Authority. The Chair shall also make recommendations to the Board of Directors with respect to the membership of all Committees of the Board of Directors except the Executive Committee.

4.04 Vice Chair. The Vice Chair shall assist the Chair as requested and shall preside at meetings of the Board of Directors in the absence of the Chair.

4.05 Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors; shall see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; shall be custodian of the records of the Authority; may witness any document on behalf of the Authority, the execution of which is duly authorized; and, in general, shall perform all duties incident to the office of secretary and such other duties as are from time to time assigned to him/her by the Board of Directors or the Chair.

4.06 Treasurer. Subject to the terms of an agreement with the Administrator, the Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Authority, and shall deposit, or cause to be deposited, in the name of the Authority, all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; shall render to the Chair and to the Board of Directors, whenever requested, an account of the financial condition of the Authority; and, in general, shall perform all duties incident to the office of treasurer and such other duties as are from time to time assigned to him/her by the Board of Directors or the Chair.

4.07 Assistant and Subordinate Officers. The assistant and subordinate officers of the Authority are all officers below the office of Vice Chair, Secretary or Treasurer. The assistant or subordinate officers shall have such duties as are from time to time assigned to them by the Board of Directors or the Chair.

4.08 Executive Director. The Board of Directors shall employ an Executive Director to perform the duties and functions of Administrator set forth in Section 274 of the Ordinance and to perform such other duties and functions as may be directed by the Board of Directors and/or the Chair consistent with the Ordinance and these By-Laws.

Article V

Finance

5.01 Fiscal Year. The fiscal year of the Authority shall begin on July 1 and shall end on June 30.

5.02 Annual Budget. The Executive Director shall develop for the Board of Directors a proposed annual budget in accordance with Section 272 of the Ordinance. Not later than March 15th of each year, the Board of Directors shall approve a proposed annual budget consisting of at least a proposed schedule of taxes or charges to be imposed throughout the District. Thereafter, the Board of Directors shall, as required by Section 272 of the Ordinance, give notice of and hold a public hearing not later than March

31 of each year at a location within the District to present the proposed budget, to respond to inquiries concerning the proposed budget, and to receive comments and input from owners of taxable property and residents within the District. This public hearing shall constitute the Spring Public Meeting. After the hearing on the proposed budget and with due consideration for the community input received at the meeting, the Board of Directors shall finalize and adopt the annual budget and submit it to the Board of Estimates for approval in accordance with Section 275 of the Ordinance.

5.03 Supplemental Tax.

A. The Board of Directors shall recommend to the Board of Estimates the supplemental tax rate each year as part of the annual budget. During the process of adopting the annual budget, the Board of Directors shall approve the supplemental tax rate in a separate vote different from the vote of the Board of Directors for the purpose of adopting the annual budget.

B. The supplemental tax rate must be approved by a majority of all of the voting members of the Board of Directors.

5.04 Annual Audit. The Board of Directors shall, no later than ninety (90) days following the end of the Authority's fiscal year, contract with an independent certified public accountant not affiliated with the Board of Directors to prepare an audit of all funds of the Authority. A copy of the audit report shall be furnished to the Board of Directors and to the City's Department of Finance and Board of Estimates.

Article VI

Indemnification

6.01 Indemnification. The Authority shall fully indemnify any director made a party to any proceeding by reason of service in that capacity unless it is established that:

A. The act or omission of the director was material to the matter giving rise to the proceedings; and

(i) Was committed in bad faith; or

(ii) Was the result of active and deliberate dishonesty; or

B. The director actually received an improper personal benefit in money, property, or services; or

C. In the case of any criminal proceeding, the director had reasonable cause to believe that the act or omission was unlawful.

Indemnification may be against judgments, penalties, fines, settlements, and reasonable expenses actually incurred by the director in connection with the proceeding. Reasonable expenses incurred by a director who is a party to a proceeding may be paid or reimbursed by the Authority in advance of the final disposition of the proceeding upon receipt by the Authority of:

(i) A written affirmation by the director of the director's good faith belief that the standard of conduct necessary for indemnification by the Authority has been met; and

(ii) A written undertaking by or on behalf of the director to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.

Article VII

Miscellaneous

7.01 Affirmative Action. The Authority shall comply with the requirements of City ordinances and City policies on encouraging and achieving goals for minority and women's business enterprise participation in the contracting activities of the Authority. The Board shall not discriminate on the basis of race, sex, color, creed, or national origin in any of its operations and shall include such prohibition in all of its contracts.

7.02 Amendments. These By-Laws may be amended from time to time as deemed appropriate or necessary by a vote of the majority of all members of the Board of Directors upon thirty (30) days' written notice to directors, which notice to directors shall contain the proposed amendment(s) and the date, time and place of the meeting to consider such amendment(s). Any amendments shall be subject to the approval of the Board of Estimates.

7.03 Mail. Any notice or other document which is required by these By-Laws to be mailed shall be deposited in the United States mail, postage prepaid.

7.04 Execution of Documents. A person who holds more than one office in the Authority may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer.

7.05 Roberts Rules of Order. All meetings shall be conducted in accordance with the Enabling Law, the Ordinance, and these By-Laws, supplemented where not inconsistent by Roberts Rules of Order, Newly Revised.

Note: This restated version of the by-laws reflects the amendment adopted by the Board of Directors on June 11, 2014 and approved by the Board of Estimates on July 23, 2014.