

# SOUTHWEST DETROIT COMMUNITY BENEFITS COALITION

## BYLAWS

### Article I Names and Offices

Section 1.1 Organization Name. The name of this Organization shall be the Southwest Detroit Community Benefits Coalition.

Section 1.2 Organization Office. The principal office of this organization shall be located within Wayne County, Michigan. The Organization may establish other offices, as the board of directors may designate or as the affairs of the organization may require from time to time.

### Article II Purpose and Objectives

Section 2.1 Organizational Purpose. The purpose of the Community Benefits Coalition is to ensure that the interests of community residents, businesses and community-based organizations are recognized and protected in public and private development projects in the community.

Section 2.2 Charitable Purpose. The Organization is organized exclusively for charitable, religious, educational, and/or scientific purposes under section 501 (c) (3) of the Internal Revenue Code.

This Organization is not organized for profit, and no part of the net earnings of this Organization shall inure to the benefit of any member of the Board of Directors or any other individual except that this Organization may make payments of reasonable compensation for services rendered.

No part of the net earnings of the Organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the Organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this clause.

No substantial part of the activities of the Organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the Organization shall not carry on any other activities not permitted to be carried on (a) by an Organization exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an Organization, contributions to which are deductible under section 170 (c) (2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Upon the dissolution of the Organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c) (3) of

the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

### Article III

#### Members

Section 3.1 Classes of Membership. The Organization shall have three classes of members:

A) **Individuals.** The individual class of membership shall consist of individuals who maintain their principal place of residence in Southwest Detroit, own property in Southwest Detroit, are members of a church congregation located in Southwest Detroit, or maintain their primary place of employment in Southwest Detroit. The individual class of membership shall also consist of individuals who are employed by businesses or organizations who are members in class B, or are eligible for membership in class B.

*Individuals shall attain membership by signing the Organization's Membership Form/Vision Statement as defined and approved by the Board.*

B) **Businesses & Organizations.** The Businesses and Organizations class of membership shall consist of non-profits, businesses, labor organizations, faith communities/churches that are located in Southwest Detroit, maintain their principal place of business in Southwest Detroit, or conduct business or provide services in Southwest Detroit. Businesses and Organizations shall attain membership by signing the Organization's Membership Form/Vision Statement, *as defined and approved by the Board*, and by designating one individual representative who will cast a vote on behalf of the business or organization.

C) **Affiliate Members** Individuals or representatives of organizations with interest in the mission of the CBC may be admitted to affiliate membership by a majority vote of the Board of Directors. Such membership may consist of, but need not be limited to professional persons, civic leaders, representatives of schools, and like entities who may be outside of Southwest Detroit. Affiliate members may be called upon to furnish advice and assistance in implementing the CBC's mission by providing expertise, sitting on committees of the board and otherwise supporting the mission of the CBC. With the approval of the Board of Directors, affiliate members will be informed of the status and progress of the CBC, and will be invited to attend the annual meeting of members. Affiliate members do not have the right to vote on matters submitted to the membership for a vote.

For the purposes of the foregoing, Southwest Detroit is defined to mean that portion of the City of Detroit beginning to the east at W. Grand Boulevard, proceed north to Toledo; West on Toledo to Livernois Ave.; south to Vernor Hwy.; west to Riverside Dr. (containing only the Detroit city limits) to the Rouge River, then abutting the cities of Dearborn/Melvindale/Lincoln Park/Ecorse and River Rouge; and following

south to the Detroit River; and east to W. Grand Blvd. See Figure 1, below.



Figure 1. Southwest Detroit, as defined by Article III

Section 3.2 Membership subject to Board right to reject. Membership in the CBC is subject to the right of the Board of Director's at any time and by a majority vote, to reject any potential member with or without cause but primarily for failure by such potential member to manifest support for and/or agreement with the mission of the CBC.

Section 3.3 Role of Members. The role of the members of the Organization shall be to support the Organization's vision statement and the Community Benefits Agreement process, to elect board members, to provide input to the board throughout the Community Benefits Agreement process, and to vote on each matter submitted to a vote of the members.

Section 3.4 Voting Rights. Each member shall be entitled to one vote on each matter submitted to a vote of the members. The vote of an Organization or business member shall be cast by the authorized representative of such organization on file with the CBC. With the exception of the first election of the board of directors to be held in April 2009, only members who have been a member of the Organization for thirty (30) days or more shall be entitled to vote on a matter submitted to a vote of the members. Affiliate members shall not be entitled to vote. Members may not

authorize other persons to act for them by proxy.

Section 3.5 Resignation. Any member may resign by filing a written resignation with the secretary.

Section 3.6 Removal. Any member may be removed, with or without cause, by a majority of the Board.

Section 3.7 Transfer. Membership is not transferable or assignable.

Section 3.8 Annual Meeting. The Annual Meeting of members shall be held at the hour of 6:00

*p.m. on the first Wednesday of April* of each year or at such other time during the year as the directors may establish. If such day falls on a federal or religious holiday, the Annual Meeting of members shall be held one week later on the same day of the week and at the same hour. The Annual Meeting of members shall be for the purpose of consideration by the members of the general policy or program of the Organization. In addition, the Annual Meeting shall be for the election of directors and for the conduct of such other business as may be properly brought before the meeting.

Section 3.9 Special Meetings. Special meetings of the members may be called either by the president, a majority vote of the executive committee, a majority vote of the Board of Directors, or by members having not less than one-tenth of the votes entitled to be cast at such a meeting.

Section 3.10 Place of Meeting. All meetings of the members shall be held at such place within or without the State of Michigan as the Board of Directors may provide. In the absence of any such provision, the meeting shall be held at the Delray Neighborhood House or (except where otherwise required by law) at such other place as may be designated in the notice of meeting.

Section 3.11 Notice of Meetings. Written notice or notice by telephone or email stating the purpose, place, day and hour of any meeting shall be given to members not less than ten (10) nor more than sixty (60) days before the date of such meeting. In case of a special meeting or one required by statute or by these By-laws, the purpose for which the meeting is called shall be stated in the notice.

Section 3.12 Action without a Meeting. Any action required by law to be taken at a meeting of the members, or any other action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a majority of the members entitled to vote in respect of the subject matter thereof.

Such consent shall have the same force and effect as a majority vote, and may be stated as such in any articles or document filed with the Secretary of State under the Michigan Non-Profit Corporation Act.

Section 3.13 Quorum and Adjournment. Members of the Organization holding not less than one-tenth of the votes entitled to be cast at such meeting shall constitute a quorum at any meeting of the members, except that in the absence of a quorum a lesser number may adjourn a meeting.

Section 3.14 Organization. At each meeting of the members, the President shall act as Chairman of the meeting. In the absence of the President, the Vice President shall act as Chairman of the meeting and in the absence of the Vice President, the Secretary, and in the absence of the Secretary, the treasurer. In the absence of any member of the executive committee or as (s)he otherwise sees fit, the President may appoint a person to act as Chairman of a meeting of the members. The Secretary, or in his or her absence, such person as the Chairman of the meeting shall appoint, shall act as Secretary of the meeting.

## Article IV Board of Directors

Section 4.1. General Powers. The affairs of the Organization shall be managed by its Board of Directors.

Section 4.2. Number, Board Composition, Qualifications. The Organization shall have fifteen

(15) Board Members. The Board shall be comprised of a majority impact area members, of which at least one-third shall be impact area residents. Should the number of board members be subsequently increased or decreased, this composition of the Board shall be maintained. The directors must at all times be members of the Organization. No non-members may sit on the Board.

For the purposes of the foregoing, the impact area is defined to mean that area of Southwest Detroit (which has been defined in Article III, Section 3.1) bounded to the east at Clark St.; north to Christiancy/Regular/Chatfield/Pershing/and Longworth to Woodmere; south to Fort St.; west to Dearborn Ave. to the Rouge River; south to the Detroit River; east to Clark St. See Figure 2, below.

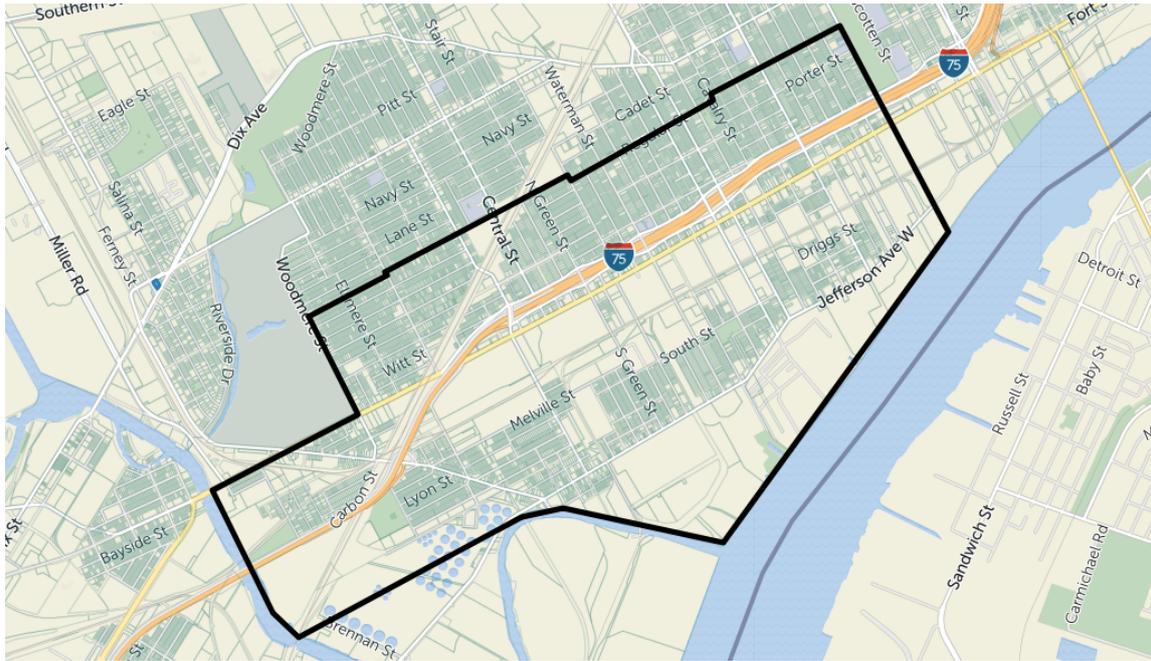


Figure 2. Impact Area, as defined by Article IV

Section 4.3. Nomination and Election. Directors shall be elected by a majority vote of the members at the annual meeting of the members. Cumulative voting shall not be permitted.

Section 4.4. Term of Office. Each Director shall hold office for the term of one year.

Section 4.5. Vacancies. Any vacancy occurring in the Board of Directors and any board member position to be filled by reason of an increase or decrease in the number of board members shall be filled by a majority vote of the Board. The newly-appointed board member shall serve for the remainder of the term held by the board member who he or she replaced and the composition of the board outlined in section 4.2 above, shall be maintained.

Section 4.6. Removal. A board member may be removed with cause:

- A) by a two-thirds vote of members entitled to vote at an election of directors;
- or
- B) by a two-thirds vote of the board members at a meeting of the Board at which a quorum is present. The matter of removal may be acted upon at any such meeting of the Board, provided that notice has been given to each board member.

Cause may include but is not limited to, failure by a Director to attend five (5) consecutive meetings of the board.

Section 4.7. Quorum. A majority of the board members shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 4.8. Voting. Each board member shall have one vote and such voting may not be done by proxy.

#### Section 4.9. Meetings of the Board

A) **Regular Meetings.** The Board of Directors shall hold at least 6 regular meetings per year but may meet more frequently if circumstances require. The Board may provide by resolution, without other notice other than such resolution, the time and place for holding such meeting.

B) **Special Meetings.** Special meetings may be called by the President or at the request of any 4 board members.

C) **Notice of Special Meeting.** Notice of a special meeting shall be given by mail, e-mail, fax, or telephone to each member of the Board not less than seventy-two (72) hours before such meeting. Those calling the special meeting may determine the place for holding the meeting but any meeting so called shall take place in Southwest Detroit as defined in Section 3.1 of these bylaws. Attendance of a board member at a meeting constitutes a waiver of notice of the meeting, except where a board member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

D) **Remote Participation.** A member of the board may participate in a meeting by means of conference telephone or other means of remote communication by which all persons participating in the meeting can communicate with each other. Participation in a meeting in this manner constitutes presence in person at the meeting.

Section 4.10. Informal Action. Any action may be taken by the Board without a meeting if a consent in writing or by electronic transmission, setting forth the action taken, is signed by all the board members. The consent shall set out the action taken and the signatures of all board members and shall be delivered to the Secretary.

Section 4.11 Manner of Acting. The vote of the majority of board members present at a meeting at which a quorum is present constitutes the action of the Board.

### Article V

#### Committees of the Board

Section 5.1 Executive Committee. The Board of Directors shall elect an Executive Committee consisting of a President, a Vice-President, a Secretary, and a Treasurer. Members of the Executive Committee must be members of the Board of Directors.

Section 5.2 Term of Service on the Executive Committee. The members of the Executive Committee shall serve 1 year terms. Each member of the Executive Committee shall serve until a successor shall have been duly elected, or until the resignation or removal of the officer.

Vacancies may be filled at any meeting of the Board by a majority vote.

Section 5.3 Removal. Any member of the Executive Committee may be removed by a majority vote of the board members at a meeting of the Board at which a quorum is present.

Section 5.4 Resignation from Service on the Executive Committee. Members of the Executive Committee may resign at any time by providing written notice to the President.

Section 5.5 Powers and Duties. The powers and duties of the Members of the Executive Committee shall be as follows:

A) **President.** The President shall preside at the meetings of the Board of Directors. In the absence of paid staff, the President shall ensure the supervision and administration of the business and affairs of the Organization. The President shall play a major role in resource development and in representing the organization within and outside the community. The President shall communicate to other officers or to the Board of Directors such matters and make such suggestions as may in her/his opinion tend to promote the prosperity and welfare and increase the usefulness of the Organization, and, subject to the supervision of the

Board of Directors, shall perform all duties customary to that office.

B) **Vice-President.** In the absence of the President, or due to his/her inability to act from any cause, the Vice-President shall perform the duties of that office. Like the President, the Vice- President shall play a major role in resource development and in representing the Organization within and outside the community.

C) **Secretary.** The Secretary shall be responsible for keeping an accurate record of all meetings of the Board of Directors, see that all notices are duly given in accordance with these bylaws or as required by law, maintain the official records of the organization and in general perform all duties customary to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board.

D) **Treasurer.** The Treasurer shall be responsible for financial management including keeping all appropriate fiscal records and ensuring that all funds are recorded, spent, and monitored consistent with funder requirements, legal requirements, and sound financial management.

Section 5.6 Other Board Committees. The Board shall have the power to create other board committees from time to time as the Board determines it is fit to do so.

Section 5.7 Membership on Board Committees. The Board shall determine criteria for Membership of other board committees as it sees fit. The Board shall designate the method by which the members of these committees are chosen as it sees fit.

#### Section 5.8 Financial Oversight Committee & Elected Trustees

A Financial Oversight Committee shall be comprised of three (3) Board Trustees elected by the board, and include the Treasurer, Project Director, and the Fiscal Agent representative, if any, who will each provide financial information to the Trustees. The committee shall meet monthly prior to monthly board of directors meetings. Trustees shall receive and review monthly financial reports to monitor finances and procedures, and make recommendations to the board at the regular monthly meetings.

Trustees shall be elected by the board annually at the time of the Executive Committee election, and serve a one year term or until successors have been duly elected. Trustees may not hold other board positions at the same time.

## Article VI Membership Committees

Section 6.1 Formation of Membership Committees. The board of directors may form one or more committees to work on issues relating to the Organization's purpose such as housing, economic development, environmental mitigation, infrastructure and community improvement, and outreach.

Section 6.2 Membership Committee Chairs. The chair of each membership committee shall be a member of the board of directors. The board of directors shall nominate the chair and appoint him or her with a majority vote.

Section 6.3 Membership Committee Members. The membership of each membership committee shall consist of members of the Organization, of any class of membership.

Section 6.4 Membership Committee Meetings. Meetings of the membership committees may be called by the respective chairs thereof or by any two members of the committee.

## Article VII Conflict of Interest

Section 7.1 Purpose. The purpose of the conflict of interest policy is to protect the interests of this organization when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 7.2 Conflict Defined. A conflict of interest may exist when the interests or activities of any director, officer, staff member, or member of a committee with governing board delegated powers, may be seen as competing with the interests or activities of this Organization, or the director, officer, staff member, or committee member has a financial or other material interest as a result of a direct or indirect relationship.

Section 7.3 Interested Person Defined. Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person. An interested person is also defined as any person related, either

through business or family relations, to any person who is subject to a conflict of interest with the Organization.

Section 7.4 Financial Interest Defined. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- A) A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement;
- B) An ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
- C) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement; or
- D) The potential to realize a financial benefit that cannot be characterized as a potential ownership or investment interest but that nevertheless inures to the benefit of a person as a result of a transaction or arrangement into which the Organization enters.

Compensation includes direct and indirect remuneration both for services rendered and for duties performed. Compensation also includes gifts or favors that are not insubstantial.

Section 7.5 Disclosure Required. Any possible conflict of interest shall be disclosed to the board of directors by the person concerned, if that person is a board member or the president of the Organization. If that person is a member of the staff, he or she shall disclose any possible conflict of interest to the president, or to such person or persons as the president may designate.

Section 7.6 Determining Whether a Conflict of Interest Exists. When there is doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the board of directors or its committee, excluding the person concerning whose situation the doubt has arisen and any persons related to that person who may be deemed an interested party under Section 7.3.

Section 7.7 Action Taken in the Event of a Conflict of Interest. Upon determining that a conflict of interest exists, the Board of Directors may nevertheless decide to enter into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization so long as the following protocol is observed:

- A) Abstinance from Vote. When any conflict of interest is relevant to a matter requiring action by the board of directors, the interested person shall call it to the attention of the board of directors or its appropriate committee and such person shall not vote on the matter; provided however, any director disclosing a possible conflict of interest may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee thereof. Any related person (either through business or family) who may also be deemed an interested person under the definition in section 7.3 shall also abstain from voting on the matter.
- B) Absence from Discussion. Unless requested to remain present during the meeting, the person

having a conflict (and any related persons under the definition in section 7.3) shall retire from the room in which the board or its committee is meeting and shall not participate in the final deliberation or decision regarding the matter under consideration. However, that person shall provide the board or committee with all relevant information.

- C) Exploration of Alternative Arrangements or Transactions. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- D) Evaluation of Transaction or Arrangement. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- E) Appointment of a Disinterested Person to Investigate Alternative Arrangements or Transactions. If appropriate, the board shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- F) Record of Proceedings. The Minutes of the meeting of the board or committee shall reflect that the conflict of interest was disclosed and that the interested person was not present during the final discussion or vote and did not vote.

Section 7.8 Annual Review. A copy of this conflict of interest bylaw shall be furnished each director, officer and senior staff member who is presently serving the Organization, or who may hereafter become associated with the Organization. This policy shall be reviewed annually for the information and guidance of directors, officers and staff members. Any new directors, officers or staff members shall be advised of this policy upon undertaking the duties of such office.

## Article VIII Indemnification

Section 8.1 Indemnification. The Organization shall indemnify any person who was or is a party to any civil, criminal, administrative, or investigative action, suit, or proceeding by reason of the fact that he/she is or was a Director or officer of the Organization, or is or was serving at the request of the Organization as a Director or officer of another Organization, against expenses including actual and reasonable attorneys' fees, judgments, fines, and amounts paid in settlement actually and necessarily incurred by him or her in connection with such action, suit, or proceeding. The Board may, at any time, approve indemnification of any other person which the Organization has the power to indemnify under the Michigan Non-Profit Corporation Act. The indemnification allowed for in this Article is available only to a person who acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the

Organization or its members, and with respect to any criminal action or proceeding, if the person had no reasonable cause to believe that conduct was unlawful.

Section 8.2 Suits by or in the right of the Organization. The Organization may indemnify any person who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the Organization to procure a judgment in its favor by reason of the fact that the person is or was a director or officer, of the Organization, or is or was serving at the request of the Organization as a Director or officer of another Organization against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the person in connection with the action or suit. The Board may, at any time, approve indemnification of any other person which the Organization has the power to indemnify under the Michigan Non-Profit Corporation Act. The indemnification allowed for in this article is available only to a person who acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Organization or its shareholders or members. However, indemnification shall not be made for a claim, issue, or matter in which the person has been found liable to the Organization unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for expenses which the court considers proper.

Section 8.3 Indemnification Insurance. The organization may purchase and maintain indemnification insurance for any person to the extent permitted by applicable law.

## Article IX Miscellaneous

Section 9.1 Gifts to the Organization. The Board of Directors may accept on behalf of the Organization any contribution, gift, bequest or devise for the general purposes or for any special purposes of the Organization.

Section 9.2 Loans. No loans shall be contracted on behalf of the Organization and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors.

Section 9.3 Checks, Drafts etc. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Organization, shall be signed by such officer or officers, agent or agents of the Organization and in such manner as shall be from time to time be determined by resolution of the Board of Directors.

Section 9.4 Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Organization, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Organization and such authority may be general or confined to specific instances.

Section 9.5. Annual Audit

An annual audit shall be performed by an independent certified accountant, hired by the Organization or the Fiscal Sponsor, per agreement of the board.

Article X  
Amendments

Section 10.1 Amendments. These bylaws may be amended, repealed or modified, and new bylaws adopted, by the vote of a two-thirds majority of the Board of Directors or the membership. Any notice of a meeting at which these bylaws are to be amended, repealed or modified shall include notice of such proposed action and must be given ten (10) days in advance.

Article XI  
Fiscal Year

Section 11.1 Fiscal Year. The fiscal year of this organization shall commence on January 1 and end December 31.

These Bylaws were initially approved March 23, 2009.

Last Amended Date: July 23, 2013