

**BYLAWS
OF
DOWNTOWN DEVELOPMENT AUTHORITY
OF CASTLE ROCK, COLORADO**

ARTICLE 1.000

GENERAL

1.100 Establishment. Under ordinance number 2008-39 the Town of Castle Rock established a Downtown Development Authority known as the "Town of Castle Rock, Colorado, Downtown Development Authority," as a body corporate.

1.200 Purpose. The Authority is established to halt and prevent deterioration of property values within its district and to assist in the development and redevelopment of its district and to use its power to promote the general welfare of the district by the use of its direct and supplemental powers.

1.300 Powers. By ordinance of the Town of Castle Rock, the Downtown Development Authority has all powers authorized by Part Eight of Article 25 of Title 31, Colorado Revised Statutes 1973, and all additional and supplemental powers necessary or convenient to carry out and effectuate the purposes and provisions of said Part Eight. A copy of Part Eight, contingent on amendment that may occur from time to time is attached here to and incorporated by this reference as if fully set forth.

1.400 Seal. The Authority shall have a seal, which shall be circular in form and shall have inscribed thereon the name of the Authority and the word "SEAL."

1.500 Offices. The Downtown Development Authority shall have the power to maintain an office within the boundaries of the Downtown Development Authority of the Town of Castle Rock, Colorado.

1.600 Annual Budget. Each year the Board shall consider and approve a budget pursuant to Section 3.550. After such approval, the budget shall be submitted to the Castle Rock Town Council for its approval.

ARTICLE 2.000

THE BOARD OF THE DOWNTOWN DEVELOPMENT AUTHORITY

2.100 Board Members. The Chair and the Members of the Board shall manage the affairs of the Authority.

2.110 Membership. The number and terms of Board Members shall be determined by resolution of the Castle Rock, Colorado, Town Council in accordance with 31-25-805 C.R.S. 1973, as amended.

2.120 Members shall serve staggered terms and shall serve until their term ends. Members may be re-appointed to serve a new four year term in accordance with then existing Downtown Development Authority Bylaws.

2.130 A member representing the Castle Rock Town Council shall serve at the pleasure of the Castle Rock Town Council.

2.140 Eligibility. Each Board Member, except the Representative from the Castle Rock Town Council, shall reside, be a business lessee, or own real property within the boundaries of the Authority. No officer or employee of the Town of Castle Rock, other than an appointee from the Castle Rock Town Council, shall be eligible for appointment to the Board.

2.150 Compensation. All Members including the Chair shall serve without compensation, but they may be reimbursed for actual and necessary expenses incurred on behalf of the Authority.

ARTICLE 3.000

OFFICERS OF THE DOWNTOWN DEVELOPMENT AUTHORITY

3.100 Board Chair. The Board Chair shall preside at all meetings of the Authority except as otherwise authorized by resolution of the Authority. The Chair shall sign all deeds and other instruments made by the Authority. At each meeting, the Chair shall submit such recommendations and information as deemed necessary for the proper administration of the business affairs and policies of the Authority.

3.200 Vice-Chair. The Vice-Chair shall perform the duties of the Chair in the absence or incapacity, resignation or death of the Chair; the Vice-Chair shall perform the duties of the Chair, until such time as the Authority shall select a new Chair. The Vice-Chair shall be elected in the same manner and at the same time as the Chair.

3.300 Treasurer. The Treasurer shall keep the financial records of the Authority and, together with the Chair or Director, shall approve all vouchers for the expenditure of funds of the Authority following the purchasing policy of the Authority. The Director shall prepare and submit a quarterly report stating the assets, liabilities and year-to-date and month-to-date expenditures of the Authority. The Director shall submit the report to the Treasurer and the Treasurer will report to the Board.

3.400 Secretary. The Secretary shall maintain custody of the official seal and of all records, documents or other papers not required to be maintained by the Treasurer. The Secretary shall attend all meetings of the Board and keep a record of all its proceedings, file minutes with the Town Clerk minutes of all regular or special meetings and shall perform such other duties as required by law, agreement with the Town of Castle Rock or as may be delegated to him/her by the Board. The Secretary shall have power to affix the Authority's seal to and attest all contracts and instruments to be executed by the Authority.

3.500 Director. Pursuant to the requirements of 31-25-815 C.R.S. 1973, the Downtown Development Authority may employ a Director.

3.510 Appointment. The Director of the Downtown Development Authority shall be appointed by a majority vote of the Board. The Director is the Board's employee and shall serve at the pleasure of the Board. The Board shall periodically review the Director's performance. The Director is and shall be an at-will employee. The compensation to be paid to the Director shall be established by the Board and budgeted accordingly.

3.520 Responsibility. The Director shall be the Chief Executive Officer of the Authority and shall have general supervision over and be responsible for the performance of the functions of the Authority. Subject to and in accordance with these Bylaws and direction by the Board, the Director may expend funds in accordance with standard, generally accepted governmental accounting and fiscal management practices. The Director shall execute all contracts. The Director shall provide periodic financial statements and reports to the Board as required by the Board.

3.530 Staff. The Director shall be responsible for hiring and supervising staff and for providing reports to the Board. Staff shall serve under the direction of the Director. The Director shall control employment activities in accordance with the Personnel Rules of Downtown Development Authority as amended or otherwise established by the Board.

3.550 Budget. The Director shall annually prepare a budget and submit it to the Board for its approval, in accordance with applicable State Statutes and Financial Management Rules of the Town of Castle Rock. The budget shall indicate the amount of compensation to be paid staff and the amounts to be devoted to specific Authority projects.

3.600 Additional Duties. All officers shall perform additional duties as directed by the Board.

3.700 Election. At the first regularly scheduled meeting of the Board in July of each year, board officers shall be elected. The officers shall serve until election of new officers, either as a result of a vacancy of an officer, or until the board elects a new officer. If a board member is reappointed to the board after serving a full term, if they held an officer position in a prior term, the board shall hold a new election for officer positions.

ARTICLE 4.000

MEETINGS

4.100 Regular Meetings. The Board shall determine dates of regular business meeting dates by motion or resolution. Regular meetings may be recessed and continued to another date and/or time. The Secretary shall send notice by mail, facsimile transmission or electronic mail (e-mail) to each Board member at least two (2) days in advance of each meeting stating the time and location within the Town of Castle Rock at which the meeting is to be held. Meetings may be held virtually as needed. By resolution, the Board may direct that a regular meeting not be held, but in no event shall more than three consecutive scheduled meetings be cancelled.

4.110 Attendance. In the event of the absence of a Board Member for three consecutive regular meetings, a letter may be written by the Director, at the direction of the Board, to the Castle Rock Town Council, requesting removal of that Board Member pursuant to Article 2.240 of these rules.

4.200 Special Meetings. Special meetings of the Authority may be called by the Chair or in the Chair's absence the Vice-Chair, at a convenient place and time including meeting virtually provided not less than a Quorum of all Board Members will be in attendance, and that the meeting is properly noticed in accordance with the Colorado Open Meetings law and minutes are kept, if necessary, as required by law.

4.210 Committee or Study Sessions. Committee or study sessions meetings of the Authority may be called by the Chair or in the Chair's absence the Committee Chair, at a convenient place and time including meeting virtually to provide review and

discussion on matters of interest to the Authority. Committee Chair may not take any formal Authority action on matters discussed, but shall report to the Board any recommendations for formal Authority action. Formal minutes shall not be required to be taken during committee or study sessions meetings.

4.300 Open Meetings. All meetings of the Board shall be open to the public, except those that may lawfully be closed by law.

4.400 Quorum. The Quorum necessary to conduct all business shall be a majority of all Board Members.

4.500 Voting. All regular business matters shall be decided by a majority of the Quorum unless otherwise provided for in these Bylaws or by law.

4.600 Rules of Order. All meetings shall be conducted under the most recent Edition of Robert's Rules of Order, Revised, except as otherwise provided by these Bylaws and 35-25-801, et seq., C.R.S. 1973, as amended.

ARTICLE 5.000

CONTRACTS; FINANCE

5.100 Contracts. The Board shall authorize, by motion or resolution, the Director, consistent with the authority stated by the motion or resolution, to enter into any contract or execute any instrument in the name of and on behalf of the Authority.

5.200 Finance.

5.210 Deposits. All funds of the Authority will be deposited in the Town of Castle Rock treasury to the credit of the Authority, in an FDIC insured bank located in the Town of Castle Rock; or as otherwise permitted by law, as designated by the Board of Directors.

5.220 Vouchers. All vouchers for the payment of accounts shall be processed following the purchasing policy of the Authority.

5.230 Loans. No loans shall be contracted for on behalf of the Authority and no evidence of indebtedness shall be issued, except by motion or resolution of the Board. Such motion or resolution may be general or confined to specific instances.

5.300 Property. The Authority may hold property in its name as directed by resolution of the Board and as permitted by 31-25-801, et seq., C.R.S. 1973, as amended.

ARTICLE 6.000

AMENDMENTS

6.100 Amendments. The Bylaws of the Authority may be amended at any regular or special meeting by a two-thirds (2/3) vote of the entire Board. No such amendment shall be adopted unless at least two (2) days notice, as provided in 4.100, has been previously given to all Board members. All amendments to these Bylaws shall be reviewed in accordance with 8.100 and if approved filed in the office of the Clerk of the Town of Castle Rock.

ARTICLE 7.000

INDEMNIFICATION

7.100 Indemnification. Any of the Authority's officers, Directors and other employees may be indemnified or reimbursed by the Authority for reasonable expenses (including, but not limited to, attorney's fees, judgments and payments in settlement) actually incurred in connection with any action, suit or proceeding, civil or criminal, actual or threatened, to which the person or persons shall be made a party by reason of their being or having been, or by reason of any actual or alleged acts performed or omitted to be performed in connection with their being or having been a Board member, officer or employee of the Authority; provided, however, that no person shall be so indemnified or reimbursed in relation to any matter in such action, suit or proceeding as to which the person shall finally be adjudged to have been guilty or liable for gross negligence or willful misconduct or criminal acts in the performance of their duties to the Authority; and provided further, that no person shall be so indemnified or reimbursed in relation to any matters in such action, suit, or proceeding which has been made the subject of a compromise settlement except with the approval of a court of competent jurisdiction, or the Board of Directors of the Authority acting by vote of Directors not parties to the same or substantially the same action, suit or proceeding, constituting a majority of the whole number of the Board Members. The foregoing right of indemnification or reimbursement shall not be exclusive of other rights to which such person, their heirs, executors, or administrators, may be entitled as a matter of law.

7.200 Insurance. The Authority may, upon the affirmative vote of a majority of its Board of Directors, purchase insurance for the purpose of indemnifying its Board Members, officers and other employees of the extent that such indemnification is allowed in Section 7.100.

ARTICLE 8.000

APPROVAL OF BYLAWS

8.100 Approval. Upon approval of these Bylaws by a two-thirds (2/3) vote of all Members of the Board, they shall be submitted to the Castle Rock, Colorado, Town Council for approval, and upon the approval of the Castle Rock Town Council shall be filed with the Town Clerk and all statutorily permissible acts previously taken by the Board and its Director shall be ratified and confirmed, by both the Board and the Castle Rock, Colorado, Town Council.

ARTICLE 9.000

DISSOLUTION

9.100 Dissolution. Upon resolution by a two-thirds (2/3) vote of all Members of the Board of the Downtown Development Authority, the Board may request the Castle Rock, Colorado, Town Council to dissolve the Authority provided that all statutory requirements are satisfied.