

**BYLAWS
OF
THE DOWNTOWN BOONE DEVELOPMENT ASSOCIATION**

ARTICLE I

Name and Principal Office of Corporation

Section 1. The name of this corporation shall be the Downtown Boone Development Association (hereinafter referred to as “DBDA”).

Section 2. The principle office of the corporation shall be in the County of Watauga, City of Boone. The principal offices shall be determined from time to time by the Board of Directors of the DBDA.

ARTICLE II

Purpose

Section 1. The corporation is organized to operate exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United State Internal Revenue law) and more specifically:

- (a) to promote the historic preservation, protection and use of Boone’s downtown area, comprised and inclusive of the Town’s entire Municipal Service District (MSD), including that area’s commercial, civic and religious enterprises and residences;
- (b) to take remedial action to eliminate the physical, economic and social deterioration of Boone’s downtown area, comprised and inclusive of the Town’s entire Municipal Service District (MSD), and thereby promote Boone’s historic preservation, history, culture, architecture and public use of Boone’s downtown area, comprised and inclusive of the Town’s entire Municipal Service District (MSD);
- (c) to disseminate information of and promote interest in the preservation, contribute to its community betterment while lessening the burdens of Boone’s government;
- (d) to hold meetings, seminars and other activities for the instruction of members and the public in those activities such as building rehabilitation and design, economic restructuring and planning management that foster the preservation of Boone’s downtown area, comprised and inclusive of the Town’s entire Municipal Service District (MSD), and enhance the understanding and appreciation of its history, culture, and architecture;
- (e) to aid, work with and participate in the activities of other organizations, individuals and public and private entities located within and outside Boone engaged in similar purposes;
- (f) to solicit, receive, and administer funds for educational purposes, and to that end, to take and hold by bequest, devise, gift, grant, purchase, lease or otherwise, either absolutely or jointly with another person of corporation, any property, real, personal, tangible or intangible, or any undivided interest therein, without limitation as to amount of value, to sell, convey or otherwise dispose of any such property and to invest, reinvest or deal with the principal or the income thereof in such manner as, in the judgment of the corporation’s directors, will best promote the purposes of the corporation without limitation, except such limitation, if any, as may be contained in the instrument under which such property is received, the bylaws of the corporation, or any laws applicable thereto.

In addition, in furtherance but not limitation thereof:

The area to be served with Municipal Service District (MSD) tax revenue, in whole or in part, will be comprised & limited to the Town’s Municipal Service District.

The corporation shall not carry on propaganda or otherwise attempt to influence legislations except as an insubstantial part of its activities. The corporation shall not engage in any transaction or permit any act or omission which shall operate to deprive it of its tax-exempt status under Section 501(c) (3) of the Code. The corporation shall not in any manner or to any extent participate in, or intervene in (including the

publishing or distribution of statements), any political campaign on behalf of any candidate for public office; nor shall it engage in any "prohibited transaction" as defined in Section 503 (b) of the Internal Revenue Code of 1986.

In the event of dissolution or liquidation of the corporation, any assets then remaining shall be distributed among such other organizations as shall qualify at the time as exempt organizations described in Code Section 501 (c) (3) as the Board of Directors shall determine, such assets to be used for purposes consistent with those described in the immediately preceding subparagraphs lettered (a) through (e).

No part of the net earnings of the corporation shall inure of the benefit of any member of the corporation or other private individual except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered herein. None of the property of the corporation shall be distributed directly or indirectly to any member of the corporation except in the fulfillment of its charitable and educational purposes enumerated herein.

The corporation also has such powers as are now or may hereafter be granted under the laws of North Carolina that are furtherance of the corporation's exempt purposes within corresponding section of any future federal tax codes.

ARTICLE III

Membership

Section 1. The classes of members of the DBDA shall be as follows:

- a) Automatic Members
 - a. Property Owners within the MSD or their agent
 - b. Business Owners Holding a Lease on MSD Property
 - i. Exclusive of marketplaces representing several vendors, which will count as one member
- b) Voluntary Members
 - a. Sponsoring Members

Section 2. The Board of Directors shall establish annual dues as it deems appropriate. Such establishment of dues shall include method of payment and application procedures.

Section 3. Any business, organization or individual that is not eligible for automatic membership and that has interest in supporting the purposes of the DBDA may become a sponsoring member by filing an application in such form as the Board of Directors shall prescribe, and subject to the payment of such dues as the Board of Directors may establish. Sponsoring members will be responsible for paying any fees encumbered by the association as a result of any available program(s) the member elects to participate in. Each sponsoring member shall be entitled to one vote, but may not hold a position on the Board of Directors.

Section 4. Any member may resign from membership in the DBDA upon giving written notice thereof to the Secretary of the DBDA. Such resignation shall specify the reason thereof and the effective date thereof. Members who resign from membership shall not be entitled to any refund of dues therefore paid.

Section 5. The Board of Directors may, at its discretion, suspend the voting privilege of any member who has been and remains in default of his or her financial obligations to the DBDA for a period of six (6) months or longer.

ARTICLE IV

Membership Meetings

Section 1. An annual meeting of the membership shall be held in each calendar year, within two months following the end of the fiscal year, at such time and place as may be determined by the Board of Directors for the purpose of electing officers and directors and transacting such other business as may be properly brought before the meeting. Board terms will begin, following the annual meeting, on September 1st and end on August 31st.

Section 2. Special meetings of the membership shall be held at any time and place as may be designated in the noticed of said meeting, upon call of the President or the Board of Directors either at their own request or upon written petition by at least ten percent (10%) of the members.

Section 3. Written notice of every meeting of the membership, stating the place, date and hour of the meeting, shall be given either personally or by facsimile, email, phone, or mail to each member not less than fifteen (15) nor more than fifty (50) days before the date of the meeting. If mailed, such notice shall be deemed delivered when deposited in the United States with postage thereon prepaid, addressed to the members at their addresses as they appear on the DBDA's record of membership. If emailed, such notice shall be deemed delivered when it has been confirmed sent, addressed to the members at their email addresses as they appear on the DBDA record of membership. Attendance of a member at a membership meeting shall constitute of waiver of notice of such meeting, or manner in which it has been called or convened, except when a member attends a meeting solely for the purpose of stating, at the beginning of the meeting, any such objection to the transaction of any business. Other interested parties shall be given such notice of meeting as the Board of Directors shall deem appropriate.

Section 4. Ten percent (10%) of the members, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the membership, except as otherwise provided by statute, by Articles of Incorporation or by these Bylaws. If a quorum is not present or represented at any meeting of the membership, a majority of the members entitled to vote thereat, present in person may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each member.

Section 5. When a quorum is present or represented by proxy at any meeting, the vote of a majority of the members present in person or represented by the proxy shall decide any questions brought before such meetings, unless the Articles of Incorporation or these Bylaws require a different vote, in which case such express provisions shall govern and control the decision.

Section 6. Robert Rules of Order Newly Revised shall govern the parliamentary procedures of the DBDA when not in conflict with these Bylaws. The order of business may be altered or suspended at any meeting by a majority vote of the members present.

ARTICLE V

Board of Directors

Section 1. The DBDA shall be governed by a Board of no more than fifteen (15) nor fewer than nine (9) Directors elected by the members. The term of office for each Director shall be three (3) years. Nominations to the Board shall be made by the Organization Committee and shall be set forth in the notice of the annual meeting. Each Director shall hold office for the term for which he or she is elected and until his or her successor shall have been elected and qualified. Directors in office may be reelected for one consecutive term, except that the Immediate Past President's term as a member of the Board of Directors shall commence at the normal termination date of his or her term as President and shall continue to the next annual meeting of the membership thereafter. Board terms shall begin on September 1st, following the annual meeting, and end on August 31st.

Section 2. So long as the DBDA receives MSD funds, its shall provide for up to two (2) members of the Town Council, appointed by the Town Council for one year terms, to serve as ex-officio members of the DBDA Board of Directors.

Section 3. Any vacancy occurring in the Board of Directors (other than a vacancy resulting from the normal expiration of a term of office) may be filled by the affirmative vote of a majority of the current member of the Board of Directors. A director may resign by submitting the unexpired term of his of her predecessor in office. Any Director may resign by submitting written notice of resignation to the Secretary of the DBDA. Any Director may be removed from written notice of resignation to the Secretary of the DBDA. Any Director may be removed from office at any time with or without cause by the affirmative vote of two-

thirds of the Directors in office. Any member of the Board of Directors who is absent from two consecutive regular meetings without just cause for such absence may be removed as a member of the Board of Directors.

Section 4. The Downtown Coordinator/Executive Director shall be a nonvoting member of the Board of Directors and shall be present at all meeting of the Board of Directors.

Section 5. The Board of Directors of the DBDA may hold regular and special meetings. Regular meetings shall be held during the first week of each calendar month at such time and place as to be determined by the Board of Directors from time to time. Special meetings of the Board of Directors may be called by the President or by the Organization Committee or by a quorum of the Board of Directors. Written notice of the time, place and agenda for both regular and special meetings shall be given to each Director either by personal delivery or by mail, email, phone, or facsimile at least five (5) days before the meeting.

Section 6. At all meetings of the Board of Directors, a simple majority of the board members shall constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 7. Any single action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if all members of the Board of Directors unanimously consent thereto in writing or via email to the written meeting. Such meetings must abide by rules of notice for all meetings of the Board of Directors and voting on the subject item must be unanimous for the vote to be valid. All writings regarding the meeting (notice, agenda, attachments, emails, etc) are to be filed with the minutes of the proceedings. Such consent shall have the same force and effect as a unanimous vote of the Board.

Section 8. All new member of the Board of Directors shall participate in an orientation program familiarizing them with the goals and objectives of the DBDA and with their responsibilities as members of the Board of Directors.

ARTICLE VI

Committees

Section 1. The DBDA shall have at least four (4) standing committees, operating under the Main Street Four-Point Approach ®. The committees shall be entitled Organization, Promotion, Design, and Economic Restructuring.

Section 2. The standing committees and their functions shall be as follows:

1. Organization
Functions:
 - Nominations
 - Membership and Resolutions
 - Budget and Finance
 - Personnel

2. Promotion
Functions:
 - Advertising
 - Special Events
 - Membership Events
 - Community Development

3. Design
Functions:
 - Public Art
 - Historic Preservation

- Beautification and Improvement
4. Economic Restructuring
Functions:
- Business Development and Education
 - Parking
 - Façade Incentive Grants
 - Sign Incentive Grants

The automatic members of the Organization Committee shall be the elected officers of the Board of Directors and Immediate Past President of the Board of Directors.

Section 3. The following shall apply to all committees of the DBDA:

- a) *Structure of Committees:* Each committee shall be chaired by a member of the DBDA Board of Directors. Any member of the DBDA may nominate themselves to serve or be appointed to serve on a committee by the Board of Directors, subject to the appointee's approval by the Board.
- b) *Removal or Discharge:* Any committee may be dissolved, or any member thereof may be removed, by action of a majority of the DBDA Board of Directors present a meeting at which a quorum of the Board of Directors is present.
- c) *Committee Meetings:* The chairperson of each committee shall call committee meetings as necessary or appropriate and shall report on committee proceedings at each regular meeting of the Board of Directors.

Section 4. The Board of Directors, by resolution adopted by a majority of Directors in office, may designate or appoint one or more committees, in addition to the above four (4) standing committees, each of which shall consist of one or more Directors. These groups must abide by the terms of the association's approved budget and work plan and must report back to the Board of Directors on a regular basis. The designation and appointment of any such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed on them by law.

ARTICLE VII

Officers

Section 1: The officers of the DBDA shall be elected annually by the membership and shall consist of a President, Vice President, a Secretary, a Treasurer and other such officers and assistant officers as may be deemed necessary.

Section 2: Officers shall be elected at the annual meeting of the membership. The person then serving as President shall automatically become Immediate Past President upon election of a new President. All officers shall be elected by a majority of the voting members present in person or via proxy.

Section 3: Except as hereinafter provided, the officers of the DBDA shall each have such powers and duties as generally pertain to their respective offices, as well as those that from time to time may be conferred by the membership of the Board of Directors.

- A. *President.* The President shall preside at all business meetings, but may at his or her discretion or at the suggestion of the Directors arrange for another officer to preside at other meetings. The President shall serve as the chair of the Organization Committee. The President shall perform such duties as are usually incumbent upon that officer and duties as may be directed by resolution of the Board of Directors.
- B. *Vice President.* The Vice President shall have such duties and responsibilities as the President or Board of Directors may from time to time prescribe.
- C. *Secretary.* The secretary shall record and maintain in good order minutes of all meetings and all records and correspondence of the DBDA, and shall oversee the mailing of copies of the minutes of each membership meeting to all members within 60 days from the conclusion of the meetings.

The secretary shall also have such other duties as may be assigned by the membership of the Board of Directors.

- D. *Treasurer.* The treasurer shall maintain in good order all financial records of the DBDA. The treasurer shall also have such other duties as may be assigned by the membership of the Board of Directors.
- E. *Immediate Past President.* The immediate past president shall serve as an ex-officio member of the Board of Directors and shall act in an advisory capacity to the President and the Board of Directors.
- F. *Temporary Officers.* In case of the absence or disability of any officer of the DBDA and of any person authorized to act in his or her place during such periods of absence or disability, the President may from time to time delegate the powers and duties of such officer to any other officer or any other member.

ARTICLE VIII

Downtown Coordination/ Executive Director

Section 1: The Downtown Coordinator/Executive Director shall manage the daily operations of the DBDA. He or she shall be responsible for coordinating the implementation of the DBDA's policies and projects and such other duties as the Board of Directors may require. The Downtown Coordinator/ Executive Director shall receive for his or her services such compensation may be recommended by the Organization Committee and designated by the Board of Directors in the annual DBDA budget. The Downtown Coordinator/ Executive Director's performance of duties shall be evaluated annually by the Organization Committee.

ARTICLE IX

Finances

Section 1: Except as the Board of Directors may generally or in particular cases authorize the execution thereof in some other manner, all checks, drafts and other instruments for the payment of money and all instruments of transfer of securities shall be signed in the name and on behalf of the DBDA by the Downtown Coordination/ Executive Director and the treasurer or other DBDA officer so designated by the Board of Directors.

Section 2: The DBDA shall utilize fund accounting systems for the expenditure of all MSD funds and for all other restricted funds.

Section 3: All funds of the DBDA shall deposit from time to time to the credit of the DBDA in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4: The Board of Directors may accept on behalf of the DBDA any contribution, gift, bequest or device for the general purposes or for any special purpose of the DBDA.

Section 5: At least ten (5) days prior to the April Board of Directors meetings, the Organization Committee shall recommend a DBDA budget for the coming fiscal year to the Board of Directors. The approved budget may be reviewed and revised periodically as deemed necessary by the Board of Directors.

ARTICLE X

General Provisions

Section 1: The fiscal year of the DBDA shall begin on the first day of July and end of the last day of June in each year.

Section 2: The corporate seal shall have inscribed thereon the name "Downtown Boone Development Association" and the words "Corporate Seal" and "North Carolina." The seal may be used by causing it or

a facsimile thereof to be impressed of affixed or reproduced or otherwise shown. In the event it is inconvenient to use such a seal at any time, the signature of the DBDA followed by the word "Seal" enclosed in parentheses shall be deemed the seal of the DBDA.

Section 3: Not later than three (3) months after the close of each fiscal year, the DBDA shall prepare:

- A. A balance sheet showing in reasonable detail the financial condition of the DBDA at the close of the fiscal year;
- B. A statement of the source and application of funds showing the results of the operation of the DBDA during the fiscal year.

ARTICLE XI

Amendments

Section 1: The Board of Directors shall have the power to alter, amend or repeal the Bylaws of adopt new Bylaws by a two-thirds vote of the Directors present at any duly called meeting of the Board, provided that no such action be taken if it would in any way adversely affect the DBDA's qualifications under section 501(c) (3) of the Internal Revenue Code of 1986 of corresponding sections of any prior or future law.

Section 2: These Bylaws and the Articles of Incorporation may be amended only by a two-thirds vote of the Board of Directors. No amendment shall be in order at any meeting unless at least thirty (30) days' notice of the nature of the proposed amendment shall have been given in person, writing, or by email, phone or facsimile to all members of the Board.

Section 3: These Bylaws shall be reviewed every two years by a committee appointed by the Board of Directors and a report shall be submitted to the Board.

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6/7/97
Updated
6/4/08
Updated
9/14/09
Updated
10/11/10