

**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 traditional downtown area, comprised and inclusive of the Town's entire Municipal Service District (MSD), and thereby promote Boone's historic preservation, contribute to its community betterment while lessening the burdens of Boone's government;
- (c) to disseminate information of and promote interest in the preservation, history, culture, architecture and public use of Boone's traditional downtown area, as defined by the boundaries of the MSD;
- (d) to hold meetings, seminars and other activities for the instruction of members and the public in 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 partner with other organizations, individuals and public and private entities located within and outside Boone engaged in similar purposes; so long as the activity is beneficial to the goals and objectives of the organization;
- (f) to solicit, receive, and administer public funds , 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 in limitation thereof:

Section 2. The area to be served with Municipal Service District (MSD) tax revenue, in whole or in part, will be comprised and limited to the Town's Municipal Service District.

Section 3. 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.

Section 4. In the event of dissolution or liquidation of the corporation, any assets then remaining shall be distributed as follows: All assets acquired using MSD funds, in whole or in part, shall be donated back to the Town of Boone; all assets acquired through private funding sources shall be distributed as the Board of Directors shall determine among other such organizations as shall qualify at the time as exempt organizations described in Code Section 501(c) (3), such assets to be used for purposes consistent with those described in the immediately preceding subparagraphs lettered (a) through (e), or to the Town of Boone to be used for the betterment of the MSD.

Section 5. 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.

Section 6. 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

1. Property Owner within the MSD, paying property tax in the MSD1 district as listed on the Watauga County tax listing or his/her agent.
2. Business Owner Holding a Lease on MSD Property and paying personal property tax in the MSD1 district as listed on the Watauga County tax listing.
3. A Property or Business owner within the MSD, who would pay either property or personal property tax in the MSD1 if it were not for their non-profit status.
4. Marketplaces representing several vendors shall be counted as one member.

b. Voluntary Members

1. Sponsoring Members who pay a membership fee.
2. Volunteer – A person who expresses interest in helping to support the mission of the DBDA through volunteer support.

Section 2. The Board of Directors may 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 an 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 may 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. Unless assigned as the designated agent for an Automatic Member, a Voluntary Member is not entitled to a vote and may not hold a position on the Board of Directors.

Section 4. Any Sponsoring 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 directors and transacting such other business as may be properly brought before the meeting. Board terms shall begin the later of September 1st or the first regular board meeting following the annual meeting, 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 notice 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. 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 five (5) business days 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 mail 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 written 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 sent 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 12 Directors, six elected by the membership, and six appointed by the Town of Boone. The term of office for each Director shall be (3) years. The initial terms for the reorganization of the board shall be one third of the directors will serve one-year terms, one third of the directors will serve two-year terms, and one third of the directors will serve three-year terms.

Section 2. Nominations to the Board shall be made as follows:

Six members shall be nominated by the Organization Committee of the DBDA. Six members shall be appointed by the Town of Boone following the guidelines set forth by the Town of Boone's policy for Board Appointments. All nominations and appointments 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.

Section 3. Directors in office may be reelected for one consecutive term.

Section 4. Board terms shall begin the latter of September 1st or the first regular board meeting following the annual meeting, and end when the new Board begins service.

Section 5. The DBDA 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, non-voting members of the DBDA Board of Directors. These members cannot be counted to achieve quorum.

Section 6. 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, for the unexpired term of the vacant position, by the affirmative vote of a majority of the current members of the Board of Directors, or the Town Council for positions which were originally appointed by the Town Council. Any Director may resign by submitting written notice of resignation to the Secretary of the DBDA, which will be presented for action by the Board of Directors.

Section 7. While it is the intent that the members of the Board of Directors will contribute to the overall wellbeing of the Municipal Service District through their attendance at meetings, participation in programs, and service on committees, there may be such times when the removal from the Board may be considered.

- a. A Director may be removed from the office at any time for cause by the affirmative vote of two-thirds of the Directors in office.
- b. Any member of the Board of Directors who is absent from three consecutive regular meetings without just cause shall be removed as a member of the Board of Directors unless action is taken by the Board to retain the member.
- c. A Director may be removed from office at such time as they no longer meet the membership criteria.
- d. A Director may be removed by action of the membership by an action of at least 33% of the voting membership.

Section 8. The Downtown Coordinator shall be a nonvoting member of the Board of Directors and shall be present at all meetings of the Board of Directors.

Section 9. 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 to the email address provided by the DBDA office email at least five (5) days before the meeting.

Section 10. 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. In the event that fewer than 12 seats on the Board are filled, a quorum shall be a simple majority. At no time can a quorum be reached with fewer than 5 members.

Section 11. Board actions without meetings: Any necessary action which might be taken at a meeting may be taken without a meeting if requested by the chair and authorized by writing or via electronic mail. At least 9 members must respond, and the vote on the issue at hand must pass with a 2/3 vote. Such action must be inserted in the minutes of the next regularly scheduled Board Meeting. Actions handled in this manner shall involve a single issue and must have a closing date stated. Any writings associated with such action will be presented with the minutes of the next regularly scheduled board meeting.

Section 12. 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 following their appointment or election to the Board.

ARTICLE VI

Committees

Section 1. The DBDA shall maintain (1) standing committee, and will establish adhoc committees adhering to the Main Street Four-Point Approach ®. The committees shall be entitled Organization, Promotion, Design, and Economic Restructuring.

Section 2. The standing committee and its functions shall be as follows:

a. **Organization**

Potential Responsibilities:

- Nominations
- Membership and Resolutions
- Budget and Finance
- Personnel

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

Section 3. The adhoc committees may include, but are not limited to the following:

a. **Promotion**

Potential Functions:

- Advertising
- Special Events
- Membership Events
- Community Development

b. **Design**

Potential Functions:

- Public Art
- Historic Preservation
- Beautification and Improvement

c. **Economic Restructuring**

Potential Functions:

- Business Development and Education
- Parking
- Façade Incentive Grants
- Sign Incentive Grants

Section 4. 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.
- 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 5. 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 standing committee, 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 members of the Board of Directors and elected annually by the Board of Directors following the annual meeting.

Section 2. The officers shall consist of a President, Vice President, a Secretary, a Treasurer and other such officers and assistant officers as may be deemed necessary

Section 3. After the annual meeting, The person then serving as President shall automatically become Immediate Past President upon election of a new President.

Section 4. An Officer may be removed from his/her position with a 2/3 vote of the Directors in office. This individual will remain a member of the Board of Directors unless further action is taken.

Section 5. 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 in the event of the absence or inability of the President to exercise his office become acting president of the organization with all the rights, privileges and powers as if he had been the duly elected president.
- c. *Secretary.* The secretary shall record and maintain in good order minutes of all meetings and all records and correspondence of the DBDA. 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 non-voting 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 another officer or any other member.

ARTICLE VIII

Downtown Coordination

Section 1: The Downtown Coordinator will be employed by the Town of Boone, and shall adhere to the policies and procedures of a Town of Boone employee. The Downtown Coordinator 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 required. As an employee of the Town of Boone, the Downtown Coordinator shall not be the

designated authority for the Downtown Boone Development Association on financial or legally binding documents. Any concerns the membership or the Board of Directors may have with the Downtown Coordinator's performance may be expressed to the Town Manager.

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 treasurer or another DBDA officer so designated by the Board of Directors.

Section 2: 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 3: 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 4: At least five (5) days prior to the March Board of Directors meetings, the Organization Committee shall recommend a DBDA budget for the coming fiscal year to the Board of Directors for approval, at the March meeting. The approved budget will then be submitted to the Town Council. The approved budget may be reviewed and revised periodically as deemed necessary.

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, affixed, 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 or 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 as needed, but a minimum of 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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