

BY-LAWS OF THE DOWNTOWN ALGONQUIN ASSOCIATION (DAA)
A NON-PROFIT CORPORATION
(APRIL 5, 2023)

ARTICLE 1: NAME

THE NAME OF THIS CORPORATION SHALL BE THE "DOWNTOWN ALGONQUIN ASSOCIATION", HEREAFTER REFERRED TO AS THE DAA. THE PRINCIPAL OFFICE OF THE DAA SHALL BE DETERMINED FROM TIME TO TIME BY THE BOARD OF DIRECTORS OF THE ASSOCIATION.

ARTICLE 2: PURPOSE

SECTION 1: THE PURPOSES FOR WHICH THIS CORPORATION IS ORGANIZED ARE TO:

- a) TO ADVOCATE/PROMOTE THE BUSINESSES OF THE HISTORIC DOWNTOWN DISTRICT OF ALGONQUIN;
- b) TO CREATE A POSITIVE IMAGE FOR DOWNTOWN BY PROMOTING THE DOWNTOWN AS AN EXCITING PLACE TO LIVE, SHOP, AND INVEST;
- c) TO FORM A PARTNERSHIP OF DOWNTOWN PROPERTY OWNERS, MERCHANTS, THE VILLAGE OF ALGONQUIN AND BUSINESSES TO PROMOTE AND MARKET THE DOWNTOWN AREA;
- d) TO ESTABLISH SPECIAL EVENTS THAT BENEFIT AND MARKET THE DOWNTOWN AND ITS BUSINESSES; AND
- e) TO RECEIVE, ADMINISTER, AND DISTRIBUTE FUNDS IN CONNECTION WITH ANY ACTIVITIES RELATED TO THE ABOVE PURPOSES; PROVIDED, HOWEVER, THAT THE PROGRAM SHALL ONLY ENGAGE IN ACTIVITIES THAT ARE IN THE PURVIEW OF SECTION 501 (C) (6) OF THE INTERNAL REVENUE CODE.

SECTION 2: IT IS THE INTENT OF THE DAA IS TO QUALIFY AS NONPROFIT, TAX-EXEMPT ENTITY PURSUANT TO SECTION 501 (C) (6) OF THE INTERNAL REVENUE CODE, AS NOW OR HEREAFTER AMENDED.

SECTION 3: UPON DISSOLUTION OF THE CORPORATION, THE RESIDUAL ASSETS OF THE CORPORATION SHALL BE DISTRIBUTED TO A PRIVATE, NONPROFIT CORPORATION WHICH IS A TAX-EXEMPT ORGANIZATION AS DESCRIBED IN SECTION 501 (C) (6) OF THE INTERNAL REVENUE CODE OR CORRESPONDING SECTIONS OF ANY PRIOR OR FUTURE LAW, SELECTION OF WHICH CORPORATION MAY BE DESIGNATED PRIOR TO DISSOLUTION.

ARTICLE 3: PROGRAM AREA

SECTION 1: THE DAA SHALL BE THAT GEOGRAPHIC AREA TO INCLUDE HISTORIC DOWNTOWN AREA TFF DISTRICT AS DEFINED BY THE VILLAGE OF ALGONQUIN TFF ORDINANCE. THE BOARD MAY ALLOW OTHER BUSINESSES, WHICH ARE VITAL TO THE DOWNTOWN ALGONQUIN ASSOCIATION'S MISSION, TO JOIN THE ASSOCIATION HOWEVER THE VOTE TO ALLOW THE BUSINESS INTO THE ASSOCIATION AND TO RETAIN THAT EXCEPTED BUSINESS IN THE ASSOCIATION SHALL BE BY AN UNANIMOUS VOTE OF THE BOARD. THESE BUSINESSES SHALL BE REFERRED TO AS "EXCEPTED BUSINESS". THE EXCEPTED BUSINESS SHALL NOT HAVE ANY VOTING RIGHTS AND THEIR INCLUSION IN THE ASSOCIATION SHALL BE REVIEWED BY THE BOARD ON

AN ANNUAL BASIS. THE BOARD SHALL VOTE TO RETAIN AN EXCEPTED BUSINESS AT THE REGULAR BOARD MEETING NEXT PRECEDING THE ANNIVERSARY OF THE EXCEPTED BUSINESS BEING ADMITTED INTO THE ASSOCIATION. THE BOARD HAS THE SOLE DISCRETION ON DETERMINING WHETHER AN EXCEPTED BUSINESS SHALL BE GRANTED THE RIGHT TO JOIN THE ASSOCIATION AND HAS THE SOLE DISCRETION ON WHETHER THAT EXCEPTED BUSINESS SHALL REMAIN A PART OF THE ASSOCIATION. THE BOARD SHALL NOT BE REQUIRED TO OFFER ANY COMMENT REGARDING THEIR DECISION TO ACCEPT OR REJECT THE EXCEPTED BUSINESS THE GEOGRAPHIC DESCRIPTION OF THE DAA MEMBERSHIP BOUNDARIES IS ATTACHED HERETO AS EXHIBIT A.

ARTICLE 4: BOARD OF DIRECTORS

SECTION 1: DUTIES: THE BOARD OF DIRECTORS SHALL MANAGE, SET THE POLICY FOR, AND OVERSEE THE MANAGEMENT OF THE AFFAIRS OF THE DAA. THEY SHALL CONTROL ITS PROPERTY, BE RESPONSIBLE FOR ITS FINANCES, FORMULATE ITS POLICIES, AND DIRECT ITS AFFAIRS. THE BOARD OF DIRECTORS MAY HIRE AN EXECUTIVE DIRECTOR AND/OR SUPPORT PERSONNEL. THE DAA BOARD OF DIRECTORS MAY ENTER INTO CONTRACTS AS NECESSARY TO ACCOMPLISH ITS GOALS. THE BOARD SHALL ALSO DETERMINE WHAT EVENTS DAA SUPPORTS AND SHALL SPONSOR. THE VOTE TO DETERMINE INTEREST OR PARTICIPATION IN AN EVENT SHALL BE BY TWO-THIRDS VOTE OF THE BOARD.

SECTION 2: QUALIFICATIONS: THERE SHALL BE A MINIMUM OF SEVEN (7) MEMBERS OF THE BOARD OF DIRECTORS. SIX (6) SEATS WILL BE FILLED BY A BUSINESS OWNER OR BUSINESS PROPERTY OWNER THAT OWNS A BUSINESS OR OTHER COMMERCIAL PROPERTY IN THE PROGRAM AREA WHICH PROGRAM AREA IS DEFINED ON THE ATTACHED EXHIBIT A. ONE (1) SEAT WILL BE FILLED BY A REPRESENTATIVE FROM THE VILLAGE OF ALGONQUIN, ILLINOIS.

SECTION 3: TERM: FIRST TERM BOARD OF DIRECTORS SHALL BE THE FOUNDING MEMBERS OF THE ASSOCIATION, A REPRESENTATIVE FROM THE VILLAGE OF ALGONQUIN AND ONE MEMBER CHOSEN BY THE MAJORITY OF THE FOUNDING MEMBER AND WILL SERVE ON THE BOARD UNTIL THE REGULARLY SCHEDULED BOARD MEETING IN NOVEMBER, 2024. AT THAT MEETING, AN ELECTION WILL BE HELD TO ELECT THE BOARD FOR THE NEXT 24 MONTH PERIOD OF TIME. THE VILLAGE OF ALGONQUIN SHALL ALWAYS MAINTAIN A SEAT ON THE BOARD. ALL MEMBERS OF THE ASSOCIATION THAT ARE VOTING MEMBERS AS DEFINED HEREIN AND THAT ARE IN GOOD STANDING WITH THE ASSOCIATION SHALL BE PERMITTED TO CAST ONE VOTE FOR EACH OPEN SEAT. THE 6 PEOPLE THAT RECEIVE THE MAJORITY OF VOTES SHALL BE ELECTED FOR A 24 MONTH TERM THEREAFTER

SECTION 4: MEETINGS: THE BOARD OF DIRECTORS SHALL MEET AT LEAST QUARTERLY.

SECTION 5: VOTING/QUORUM: MAJORITY OF THE BOARD OF DIRECTORS SHALL CONSTITUTE A QUORUM FOR THE TRANSACTION OF ANY BUSINESS OF THE BOARD.

SECTION 6: TRANSACTION OF BUSINESS BY EMAIL: VOTING MAY ALSO BE TRANSACTED OUTSIDE OF A FORMAL MEETING VIA EMAIL, ZOOM OR SIMILAR MEDIA. FOR VOTING TRANSACTED BY EMAIL, THE VOTES OF THE DIRECTORS MUST BE PRINTED AND SAVED BY THE SECRETARY AS A RECORD OF THE BUSINESS TRANSACTED. ADDITIONALLY, A MOTION TO ACCEPT THE VOTE VIA EMAIL SHALL BE MADE AT THE NEXT FORMAL MEETING OF THE BOARD OF DIRECTORS.

SECTION 7. ELECTIONS/VOTING; MEMBERS OF THE BOARD OF DIRECTORS SHALL BE ELECTED BY THE BOARD OF DIRECTORS AT A MEETING SET IN THE MONTH OF THE ANNIVERSARY OF THE INCORPORATION

OF DAA. A NOMINATING COMMITTEE WILL DEVELOP A SLATE OF CANDIDATES TO FILL VACANT SEATS BY REACHING OUT TO THE MEMBERS OF THE DAA. THE RECOMMENDED SLATE WILL BE PRESENTED TO THE BOARD OF DIRECTORS, AND UPON APPROVAL WILL BE DISTRIBUTED TO MEMBERSHIP. ANY CURRENT MEMBERS OF THE DAA MAY SUBMIT ADDITIONAL NAMES FOR CONSIDERATION. CANDIDATES FOR BOARD SEATS MUST BE CURRENT MEMBERS OF THE DAA IN GOOD STANDING FOR A MINIMUM OF 6 MONTHS AND WILL HAVE BEEN INVOLVED ON AT LEAST ONE DAA COMMITTEE OR OTHERWISE ACTIVELY INVOLVED IN MEETINGS FOR A MINIMUM OF 6 MONTHS.

SECTION 8: VACANCIES: SHOULD ANY DIRECTOR LEAVE THE OFFICE BEFORE THE END OF HIS OR HER TERM, THE BOARD OF DIRECTORS, BY MAJORITY VOTE, SHALL APPOINT A DIRECTOR TO SERVE OUT THE REMAINDER OF THE VACATED TERM.

SECTION 9: REMOVAL: ANY DIRECTOR MAY BE REMOVED BY THE BOARD OF DIRECTORS WHENEVER, IN ITS JUDGMENT, THE BEST INTERESTS OF THE DAA WOULD BE SERVED THEREBY, BUT SUCH REMOVAL SHALL REQUIRE A VOTE OF SIX (6) BOARD OF DIRECTORS.

SECTION 10: COMPENSATION: DIRECTORS OF THE DAA SHALL RECEIVE NO COMPENSATION FOR THEIR SERVICE AS DIRECTORS.

ARTICLE 5: OFFICERS

SECTION 1: OFFICERS: THE OFFICERS OF THE ORGANIZATION SHALL CONSIST OF A PRESIDENT, VICE PRESIDENT, SECRETARY, TREASURER AND SUCH ADDITIONAL OFFICERS AS THE BOARD OF DIRECTORS MAY FROM TIME TO TIME DESIGNATE.

SECTION 2: TERM: EXCEPT FOR THE INITIAL TERM, EACH OFFICER SHALL SERVE TWO YEAR TERMS, UNLESS OTHERWISE ESTABLISHED BY THE BOARD OF DIRECTORS.

SECTION 3: ELECTION OF OFFICERS: OFFICERS SHALL BE ELECTED BY THE BOARD OF DIRECTORS AT THE FIRST MEETING OF THE BOARD OF DIRECTORS FOLLOWING THE BOARD ELECTIONS.

SECTION 4: REMOVAL OF OFFICERS: ANY OFFICER ELECTED OR APPOINTED BY THE BOARD OF DIRECTORS MAY BE REMOVED BY THE BOARD OF DIRECTORS. THE REMOVAL OF AN OFFICER SHALL REQUIRE A TWO-THIRDS MAJORITY VOTE OF THE BOARD OF DIRECTORS.

SECTION 5: VACANCIES: A VACANCY IN ANY OFFICE SHALL BE FILLED BY A MAJORITY VOTE OF THE BOARD OF DIRECTORS.

SECTION 6: DUTIES:

- a. PRESIDENT: THE PRESIDENT SHALL PRESIDE OVER ALL MEETINGS OF THE BOARD OF DIRECTORS. HE/SHE SHALL ALSO HAVE SUCH OTHER POWERS AND PERFORM SUCH OTHER DUTIES AS MAY BE REQUIRED. THE PRESIDENT SHALL HAVE THE AUTHORITY TO SIGN CHECKS FOR THE DAA AND OTHER DOCUMENTS. IN THE EVENT THAT THERE IS AN EXECUTIVE DIRECTOR OF THE ORGANIZATION, THE PRESIDENT SHALL SERVE AS THE LIAISON BETWEEN THE EXECUTIVE DIRECTOR AND THE BOARD.
- b. VICE PRESIDENT: THE VICE-PRESIDENT SHALL, IN THE ABSENCE OF THE PRESIDENT, PERFORM ALL DUTIES AND FUNCTIONS AND HAVE ALL THE SAME POWERS AS THE PRESIDENT.

- c. SECRETARY AND/OR ASSISTANT SECRETARIES: THE SECRETARY SHALL KEEP A RECORD OF THE PROCEEDINGS OF THE BOARD OF DIRECTORS AND OF THE MEMBERS AND DIRECTORS. THE SECRETARY SHALL KEEP THE CORPORATE SEAL AND MAKE PROPERTY ENTRIES INTO THE BOOKS OF THE CORPORATION. THE SECRETARY SHALL HAVE THE ABILITY TO SIGN CHECKS OR DOCUMENTS AND SHALL PERFORM SUCH OTHER DUTIES AS THE BOARD MAY FROM TIME TO TIME DIRECT.
- d. TREASURER: THE TREASURER SHALL RECEIVE AND ACCOUNT FOR, AND DEPOSIT IN THE DAA BANK ACCOUNT(S) ALL FUNDS RECEIVED BY THE DAA. THE TREASURER SHALL SIGN CHECKS FOR THE DAA. AT THE ANNUAL MEETING AND AT REGULAR BOARD OF DIRECTOR MEETINGS, THE TREASURER SHALL PROVIDE A WRITTEN REPORT ON THE FINANCIAL AFFAIRS OF THE DAA OR SHALL DESIGNATE A COMMITTEE TO DO SO ON BEHALF OF THE TREASURY.
- e. EXECUTIVE DIRECTOR: IN THE EVENT THAT AN EXECUTIVE DIRECTOR IS EMPLOYED BY THE DAA, THE EXECUTIVE DIRECTOR SHALL MANAGE THE DAILY OPERATIONS OF THE ASSOCIATION. THE EXECUTIVE DIRECTOR SHALL BE RESPONSIBLE FOR IMPLEMENTING THE ASSOCIATION'S POLICIES AND PROCEDURES, HAVE FULL MANAGEMENT RESPONSIBILITIES INCLUDING THE MANAGEMENT, HIRING, AND TERMINATION OF PERSONNEL, AND SUCH OTHER DUTIES AS THE BOARD OF DIRECTORS MAY DETERMINE. THE EXECUTIVE DIRECTOR SHALL RECEIVE FOR HIS OR HER SERVICES SUCH COMPENSATION AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS, WHICH MAY INCLUDE BONUSES AS DEEMED APPROPRIATE BY THE BOARD OF DIRECTORS.

ARTICLE 6: COMMITTEES

THE ASSOCIATION SHALL HAVE AT LEAST TWO STANDING COMMITTEES:

- 1. MARKETING AND PROMOTIONS: TO CREATE A POSITIVE IMAGE OF THE ALGONQUIN DOWNTOWN DISTRICT THROUGH EVENTS AND PROMOTIONAL PROGRAMS.
- 2. MEMBERSHIP: TO INCREASE MEMBERSHIP FOR THE ASSOCIATION AND TO DEVELOP A STRONG COMMUNICATION NETWORK BETWEEN MEMBERSHIP AND THE ASSOCIATION AS A MEANS OF BUILDING A HEALTHY, VIABLE ORGANIZATION.

ARTICLE 7: MEMBERS

SECTION 1: MEMBERSHIP QUALIFICATIONS: FULL MEMBERSHIP IN THE DAA IS EXTENDED TO BUSINESS OWNERS OR THEIR MANAGER AND BUSINESS PROPERTY OWNERS LOCATED WITHIN THE DESIGNATED PROGRAM AREA AS DEFINED IN ARTICLE 3 OF THESE BY-LAWS. THE VILLAGE OF ALGONQUIN SHALL ALSO QUALIFY MEMBERSHIP IN THE ASSOCIATION. RESIDENTIAL PROPERTY OWNERS MAY JOIN THE DAA, HOWEVER SHALL HAVE NO VOTING RIGHTS. CORPORATE SPONSORSHIPS WILL BE AVAILABLE TO ANY BUSINESS THAT ARE NOT MEMBERS OF DAA BUT WISH TO PARTICIPATE IN EVENTS SPONSORED BY DAA. THESE SPONSORS SHALL HAVE NO VOTING RIGHTS IN DAA AND SHALL BE REQUIRED TO COMPLETE A SPONSOR APPLICATION AND PAY SUCH SPONSOR FEES AS ARE DICTATED BY THE BOARD OF DIRECTORS FOR ANY GIVEN EVENT.

SECTION 2: DUES: MEMBER DUES WILL BE DETERMINED ANNUALLY BY THE BOARD OF DIRECTORS. MEMBERS WILL BE REQUIRED TO PAY THE ANNUAL DUES UPON RECEIPT OF AN INVOICE FROM THE DAA. THE INTENTION OF THE ASSOCIATION IS TO CREATE ENOUGH INVOLVEMENT SUCH THAT THE ORGANIZATION SHALL BE SELF-FUNDED AT SOME TIME IN THE FUTURE. DUES SHALL BE DUE ON JULY 1ST. MEMBERS PAYING DUES WOULD BE ENTITLED TO ONE VOTE FOR EACH ENTITY IN WHICH THEY PAID THEIR DUES FOR THE YEAR. ONLY THE VILLAGE OF ALGONQUIN REPRESENTATIVE AND MEMBERS REQUIRED TO PAY DUES SHALL BE ENTITLED TO ANY VOTING RIGHTS. SEE ATTACHED FEE STRUCTURE/SPONSORSHIP ADDENDUM FOR MEMBERSHIP DUES.

SECTION 3: VOTING RIGHTS: EACH DUES PAYING MEMBER IN GOOD STANDING SHALL BE ENTITLED TO ONE (1) VOTE ON EACH MATTER SUBMITTED BY THE BOARD TO THE MEMBER FOR A MATTER THAT REQUIRES A DECISION OR VOTE OF ALL OF THE MEMBERS. ANY MEMBER WITH VOTING RIGHTS MAY SUBMIT AN ISSUE TO THE BOARD TO BE VOTED UPON BY THE BOARD. ANY NON-VOTING MEMBER OR SPONSOR MAY COMMUNICATE A QUESTION OR CONCERN TO A BOARD MEMBER AND THAT BOARD MEMBER MAY RAISE THE ISSUE AT THE NEXT BOARD MEETING.

SECTION 4: TERMINATION OF MEMBERSHIP: THE BOARD OF DIRECTORS, BY AFFIRMATIVE VOTE OF TWO-THIRDS (2/3) OF THE MEMBERS OF THE BOARD, MAY SUSPEND OR EXPEL A MEMBER. 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 ASSOCIATION FOR A PERIOD OF 6 MONTHS OR LONGER.

ARTICLE 8: MEETINGS

SECTION 1: ANNUAL MEETING: THERE SHALL BE AN ANNUAL MEETING OF THE REGULAR MEMBERS OF THE ORGANIZATION, TO BE HELD ON A DATE SELECTED BY THE BOARD OF DIRECTORS ON OR AROUND THE ANNIVERSARY DATE OF THE INCORPORATION OF DAA. UNLESS OTHERWISE DESIGNATED BY THE BOARD, THE ANNUAL MEETING SHALL BE THE SECOND THURSDAY IN NOVEMBER OR EACH YEAR.

SECTION 2: PLACE OF MEETING: THE BOARD OF DIRECTORS SHALL DESIGNATE ANY PLACE AS THE PLACE OF MEETING FOR ANY IN PERSON ANNUAL MEETING OR SPECIAL MEETING. UNLESS OTHERWISE DESIGNATED, THE MEETINGS SHALL BE HELD AT THE ALGONQUIN VILLAGE HALL.

SECTION 3: NOTICE OF MEETINGS: WRITTEN AND PRINTED NOTICE STATING THE PLACE, DAY AND HOUR OF ANY MEETING OF MEMBERS SHALL BE DELIVERED EITHER PERSONALLY, BY MAIL OR BY EMAIL TO EACH MEMBER ENTITLED TO VOTE AT SUCH MEETING NOT LESS THAN FIVE (5) BUSINESS DAYS OR MORE THAN FIFTY (50) DAYS BEFORE THE DATE OF SUCH MEETINGS. NOTICE SENT BY U.S. MAIL SHALL BE DEEMED TO BE DELIVERED WHEN DEPOSITED IN THE UNITED STATES MAIL ADDRESSED TO THE MEMBER WITH POSTAGE THEREON PREPAID. ADDITIONALLY, NOTICE SENT BY EMAIL TO THE EMAIL ADDRESS ON FILE WITH THE MEMBERSHIP RECORDS SHALL BE DEEMED TO BE DELIVERED IF THE EMAIL IS NOT RETURNED TO SENDER.

ARTICLE 9: MISCELLANEOUS PROVISIONS:

SECTION 1: LIABILITY OF MEMBERS: NO MEMBER OF THIS CORPORATION, EITHER REGULAR OR OTHERWISE, SHALL BE PERSONALLY LIABLE FOR ANY OF THE DEBTS, LIABILITIES AND/OR OBLIGATIONS OF THE ORGANIZATION.

SECTION 2: CORPORATE SEAL: THE CORPORATE SEAL OF THE CORPORATION SHALL BE IN SUCH FORM AS THE BOARD OF DIRECTORS SHALL DETERMINE AND SHALL CONTAIN THE NAME OF ASSOCIATION, THE DATE AND STATE OF ITS CREATION AND SUCH OTHER MATTERS AS THE BOARD OF DIRECTORS MAY DETERMINE.

SECTION 3: PRINCIPAL OFFICE: THE PRINCIPAL OFFICE OF THE DAA SHALL BE IN THE STATE OF ILLINOIS, VILLAGE OF ALGONQUIN, ILLINOIS.

SECTION 4: AMENDMENTS OF BY-LAWS: BY THE AFFIRMATIVE VOTE OF A MAJORITY OF THE DIRECTORS MAY AMEND THESE BY-LAWS OR ANY POLICIES ADOPTED PURSUANT TO THEM PROVIDED THE SUBSTANCE OF THE PROPOSED AMENDMENT SHALL HAVE BEEN STATED IN THE PURPOSE OF THE MEETING. THIS REVIEW SHALL TAKE 12 MONTHS INTO THE TERM OF THE BOARD OF DIRECTORS AND EVERY 24 MONTHS THEREAFTER.

SECTION 5: FINANCES: WITHIN SIXTY (60) DAYS OF THE ELECTION OF THE BOARD OF DIRECTORS EACH YEAR, THE BOARD SHALL APPROVE THE ASSOCIATIONS BUDGET FOR THE FISCAL YEAR. THE APPROVED BUDGET MAY BE REVIEWED AND REVISED PERIODICALLY AS DEEMED NECESSARY THE BOARD.

APPROVED ON THE 5TH DAY OF APRIL, 2023.

DOWNTOWN ALGONQUIN ASSOCIATION (DAA)
MEMBERSHIP – SPONSORSHIP FEES ADDENDUM
(APRIL 5, 2023)

Business Membership: \$250/year

Business Membership (National Company or Franchise): \$1000/year

Commercial Property Owner: \$150/year

Non-Profit/Affiliate Membership: \$100/year

Algonquin Resident Membership: \$25 donation per year (tax-deductible)

Corporate Sponsors:

Tier 1: \$500/year

Tier 2: \$1000/year

Tier 3: \$2500/year

Tier 4: \$5000/year