

**BYLAWS OF THE
SOUTHPORT NEIGHBORS ASSOCIATION
("BYLAWS")**

Revised June 27, 2017

Article I

Offices

The Southport Neighbors Association ("Association") shall maintain in the State of Illinois a registered office and a registered agent.

Article II

Purpose

The Association is a neighborhood organization comprised of residents and businesses in the community area bounded by the streets Addison, Ashland, Clark and Irving Park, in the City of Chicago. The Association's purpose is to encourage compatible residential and business development; initiate and support beautification projects; and provide the residents with neighborhood forums and information on timely issues and neighborhood concerns including but not limited to quality of life issues and historic preservation.

Article III

Members

Section I. Classes of Members

The Association will have three (3) classes of members. Individuals can belong only to one (1) membership class. The designation of these classes and the qualification of membership are as follows:

Regular Members:

Any person, age 18 or older, who resides within the Association's geographic boundaries is eligible for regular membership.

A family membership payment plan may be offered for regular membership. A maximum of two (2) regular members can apply for membership via a family payment plan. Member names associated with a family payment plan should be provided at the time of registration.

Business Members:

Any proprietor, age 18 or older, of a business within the Association's geographic boundaries is eligible for business membership. Any property owner, age 18 or older, who owns property within the Association's geographic boundaries but does not reside within the Association's geographic boundaries, is eligible for business membership. Each such business member must designate one representative to the Association. Business member representatives may be changed by submitting a written notice to the Secretary.

Non-Voting Members:

A Non-Voting membership is open to any person, age 18 or older, who lives outside the Association's geographic boundaries. Non-Voting members receive the benefits of Regular and Business members with the exception of voting rights.

Section 2. Voting Rights

Each Regular and Business member as defined by Section 1 of the Association shall be entitled to one (1) vote in each matter submitted for a vote of the members provided each is a member in good standing for at least ninety (90) days prior thereto.

Regular members who registered via a family payment plan shall be entitled to one (1) vote each, not to exceed two (2) votes per family plan, which may be cast by the member names provided at the time of registration.

Business members shall be entitled to one (1) vote, which may be cast by the designated representative.

Non-Voting members have no voting rights.

Section 3. Termination of Membership

The Board of Directors ("Board") by an affirmative vote of two-thirds of its members may suspend or expel a member for cause after an appropriate hearing. The Board by a majority vote of those present at any regularly constituted meeting, may terminate the membership, or suspend and expel any member who shall be in default in the payment of dues.

Section 4. Resignation

Any member may resign by filing a written resignation with the Secretary, but such a resignation shall not relieve the member of the obligation to pay any dues, assessments, or other charges that have accrued.

Section 5. Reinstatement

Upon written request signed by a former member and filed with the Secretary, the Board may by the affirmative vote of two-thirds of its members reinstate membership upon such terms as the Board deems appropriate.

Section 6. Transfer of Membership

Membership in the Association is not transferable or assignable.

Section 7. Membership Certificates

No membership certificates of the Association shall be required.

Section 8. Dues

The Board has the authority to establish the annual dues for Regular and Business membership and to create varying dues payment plans that relieve economic hardship. The Board may reject any member whose membership is applied for in bad faith, which may include but shall not be limited to, dues paid by money order, cashier's check or by an unrelated third person. Member applications which are part of a mass membership drive that is not Board sponsored, which may include but shall not be limited to, multiple individual applications and/or one application for multiple individuals, shall not be approved for membership.

Section 9. General Membership Meetings

The Board shall schedule a minimum of four (4) general membership meetings each year. The entire membership area shall be notified of the dates of each meeting by posting them on the website and/or other appropriate communication vehicle. Notification of general membership meetings, including agenda topics, shall be posted 14 days prior to each meeting. If a general membership meeting shall be rescheduled, notification of the rescheduled meeting shall be posted 14 days prior to the newly rescheduled meeting.

Article IV

Officers, Board of Directors, Nominations

Section 1. General Powers

The affairs of the Association shall be handled by its Board of Directors.

Section 2. Number and Elections

The number of Directors of the Board, including Officers, shall be nine (9). This number may be increased or decreased from time to time by a resolution of the Board of Directors. No more than two Directors shall be business members. Each Director shall serve a term of three years following election to the Board, and these terms shall be staggered to provide that three members are elected to the Board annually. Directors must be qualified regular or business members of the Association in good standing for at least 90 days prior to the date of the election and throughout the term served. No person running for or holding political office shall serve as a Director of the Board. Each Director shall hold office for the term elected or until his or her successor has been appointed or elected.

A public notice shall be posted on the website and/or other appropriate communication vehicle 45 days prior to the election which shall be held at the April community meeting. The notice shall call for nominations from the community for candidates to serve on the Board of Directors. Each candidate shall have a demonstrated history of service to the work of the Association. Nominations shall be received by the Board until 15 days prior to the election. A Nominating Committee consisting of at least 2 Board members and at least 1 voting member not serving on the Board, shall meet and discuss the merits and qualifications of each nominee. It shall be the responsibility of the Nominating Committee to ensure that each nominee meets all qualifications for the Board of Directors. The Nominating Committee shall present the slate of selected candidates to the voting Membership at the April meeting, along with relevant information about each candidate.

A candidate shall be deemed elected as a Board Member if the number of “for” votes exceeds the number of “not for” votes.

In the event the slate of candidates exceeds in number the available Director openings, then the voting Membership shall cast a number of votes not to exceed the number of Director openings. A candidate shall be deemed elected if both 1) the number of “for” votes exceeds the number of “not for” votes; and 2) the number of “for” votes for the candidate exceeds “for” votes for other candidates not yet elected, in such a manner until all Director openings are filled. In the event that two or more candidates vying for a single Director opening receive the same number of “for” votes (a tie vote,) then the existing Board (not including those just elected) shall vote to break the tie.

Section 3. Tenure

To maintain his/her Board member status, each Director must:

1. Serve a term of three (3) years or until his/her successor has been elected.
2. Be a qualified Regular or Business member of the Association in good standing.

3. Not serve as a Director while holding or running for political office.
4. Identify any conflict of interest in any matter that comes before the Board, and recuse him/herself from voting on such matters. Further, a Director having a conflict of interest shall not unduly influence the vote of any other Director or committee member, and shall not be counted in determining a quorum for such matters.
5. Have a demonstrated history of service to the work of the Association.
6. Have access to email or other communication vehicles in a timely manner to retrieve the board communications, unless temporary technical malfunctions prevent access, in which case the member shall otherwise make timely contact with the President to get updated information. Further, a Board member is expected to regularly respond, in a timely manner, to requests for email discussions and voting.
7. Serve on a minimum of one SNA Board committee or as an Officer, and give regular reports at board meetings on committee or Officer activities. Also, must submit a yearly budget for said committee or office.
8. Attend Board meetings, which occur no fewer than eight (8) times per year. To promote continuity and effectiveness, Board members are expected to make every effort to attend all Board meetings. Any Board member who is absent for more than two (2) regularly scheduled Board meetings in a 12-month period may be subject to Director Removal proceedings.
9. Attend community meetings, which occur four (4) times per year. Any Board member who is absent for more than two (2) community meetings in a 12-month period may be subject to Director Removal proceedings.
10. Preserve the integrity of the Association by acting responsibly and respectfully when dealing with SNA members, residents and businesses.
11. Participate in SNA's sponsored events.

Section 4. Director Removal

Any Director, elected or appointed, may be removed for cause by the Board of Directors, by an affirmative vote of two-thirds of the other Board members, whenever in its judgment the best interests of the Association would be served thereby. Such removal shall be without prejudice to the right to continue as a qualified member of the Association.

Section 5. Officers

The officers of the association shall be President, Vice-President, Secretary, and Treasurer (“Officers”). The officers of the Association shall be elected by the Board of Directors at the first Board meeting held after the Associations’ annual April meeting. Nominations for each office are followed by the election for that office. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his or her successor has been duly elected. Election of any officer shall not by itself create contract rights.

Section 6. Officer Removal

Any Officer elected or appointed by the Board of Directors may be removed for cause by the Board of Directors, by an affirmative vote of two-thirds of the other Board members, whenever in its judgment the best interests of the Association would be served thereby. Such removal shall be without prejudice to the right to continue as a qualified member of the Association.

Section 7. President

The President shall be the principal executive officer of the Association. Subject to the direction and control of the Board of Directors, the President shall be in charge of the business and affairs of the Association. The responsibilities of the office shall include ensuring that the directives and resolutions of the Board of Directors are carried out, discharging the duties incident to the office of President, and other such duties that may be prescribed by the Board. Except in those instances where the authority to execute is expressly delegated to another officer or agent of the Association, or a different mode of execution is prescribed by the Board or these Bylaws, the President may execute for the Association any contracts, deeds, mortgages, bond or other instruments which the Board of Directors has authorized to be executed. Such execution may be accomplished without the seal of the Association, either individually or with the Secretary or any other officer authorized by the Board of Directors according to the requirement of the form of the instrument. The President must be a Regular Member.

Section 8. Vice President

The Vice President shall assist the President in the discharge of the duties of that office as the President may direct, and shall perform such other duties from time to time as may be assigned by the President or the Board of Directors. In the President’s absence or in the event that the President is unable or refuses to act, the Vice President shall perform the duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon the President.

Section 9. Treasurer

The Treasurer shall be the principal accounting and financial officer of the Association and shall: a) have charge of and responsibility for the maintenance of adequate books of account for the Association; b) have charge and custody of all funds and securities of the Association; c) perform all the duties incident to the office of Treasurer and such other duties from time to time may be assigned by the President or the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of these duties in such sum with such sureties as the Board of Directors shall determine.

Section 10. Secretary

The Secretary shall record the minutes of the meeting of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the Association records; keep a register of the post office address of each officer and Director that shall be furnished by such officer and Director; and perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 11. Quorum

A majority of the Directors shall constitute a quorum for the transaction of business at any Board meeting.

Section 12. Manner of Acting

The act of a majority of the Directors present at a meeting at which there is a quorum shall be the act of the Board of Directors, unless the act of a greater number is required by the statute, or the Association's Articles of Incorporation or Bylaws. The President's vote shall decide any vote of the Directors that results in a tie.

Section 13. Meetings

The Board of Directors shall meet no fewer than eight (8) times per year. The president shall notify the Board of Directors of the date of a meeting by sending a written notice to each Board member. If the date of the next Board meeting is set at the previous meeting, the notice provision is waived.

Section 14. Director Vacancies

Board of Director vacancies may be filled by qualified candidates at any meeting of the Board of Directors, being appointed by a majority vote of the Board's members. Appointed Directors shall fulfill the term that had previously been held by the former Director creating the vacancy. Further, an Appointed Director shall be presented for election by the Membership at the next General Membership Meeting which satisfies the

meeting notification period defined in Article III, Section 9, in a manner defined in Article IV, Section 2. In the event an Appointed Director is not then elected by the Membership, the Board cannot re-appoint that individual as a Board member; however the individual may still be a candidate for the Board at an annual Membership meeting consistent with Article IV, Section 2.

Section 15. Officer Vacancies

Officer vacancies may be filled by qualified candidates at any meeting of the Board of Directors. Such Officers shall fulfill the term that had previously been held by the former Officer creating the vacancy.

Section 16. Term Limits

There is no limit on the number of terms served by a Director. Officers cannot hold a single position continuously for more than six (6) years. An Officer can be re-elected to a previously-held position provided the Officer has not held that position for the previous 2 years.

Article V

Committees

Section 1. Committees of Directors

The Board of Directors by resolution adopted by the majority of the Directors may designate one or more committees, each of which shall consist of two or more Directors. These committees – to the extent provided in the resolution and not restricted by law – shall have and exercise the authority of the Board of Directors in the management of the corporation, subject however to the following limitations; no committee of the Board of Directors shall have the authority to amend or repeal Bylaws; to elect, appoint, or remove a member of a committee or any Director or officer of the Association; to adopt a plan of merger or consolidation with another corporation; to authorize the sale, lease or exchange or mortgage of all or substantially all of the assets of the Association; to amend, alter, or repeal any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation of committees and the delegation thereto of authority shall not operate to relieve the Board of Directors of any individual Directors of any responsibility imposed by law.

Section 2. Other Committees

Other committees not having or exercising the authority of the Board of Directors may be designated by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Unless the resolution provides otherwise, the

President of the Association shall appoint the members of the committee and shall appoint one member as chairperson.

Section 3. Term of Office

Each member of a committee shall continue as such until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member is removed from such committee, or ceases to qualify as a member thereof.

Section 4. Vacancies

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the original appointments.

Section 5. Quorum

Unless otherwise provided in the Board resolution establishing a committee, a majority of the whole committee shall constitute a quorum, and the act which there is a quorum shall be the act of the committee.

Section 6. Rules

Each committee may adopt rules for its own government as long as these rules are not inconsistent with the Association's Bylaws or with rules adopted by the Board of Directors.

Article VI

Compensation and Reimbursement For Expenses

Section 1. Authority to Compensate

The Board of Directors has the authority to authorize or ratify the payment to any officer or Director of the Association of reasonable compensation for services rendered by such person to the Association in the capacity as an Officer or Director, or in any other capacity.

Section 2. Reimbursement for Expenses

Any Director or Officer of the Association may be reimbursed by the Association for any expense incurred by a Director or Officer acting in his or her capacity as such Director or Officer, in connection with attending any meeting of the Board of Directors of the Association or the accomplishment or attainment of any or all of the purposes or powers of the Association.

Article VII

Contracts, Grants, Checks, Deposits

Section 1. Grants

The Board of Directors shall have the power to make grants and contributions and otherwise render financial assistance for the purposes of the Association. The Board of Directors may authorize any Officer or Officers, agent or agents, in the name of and on behalf of the Association to make any such grants, contributions and assistance.

Section 2. Contracts

The Board of Directors may authorize any Officer or Officers, agent or agents of the Association in addition to the Officers so authorized by the laws to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, Etc.

All checks, drafts or other orders for the payment of money notes or other evidences of the indebtedness issued in the name of Association shall be signed by such Officer or Officers, agent or agents of the Association in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination of the Board of Directors such instruments shall be signed by the Treasurer.

Section 4. Deposits

All funds of the Association shall be deposited from time to time to the credit of the Association in the Association's Bank, or other such banks, trust companies or other depositories as the Board of Directors may direct.

Article VIII

Gifts

The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise: provided all such funds shall be used only for the purpose of the Association as set forth in Article II of the Bylaws.

Individual Board members, while representing the Association, may not accept cash gifts of any value, nor other gifts, products or services valued at more than \$50, nor other gifts, products or services totaling in value of more than \$100 from any single source in a calendar year.

Article IX

Books and records

The Association shall keep books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors.

Article X

Fiscal Year

The Association's fiscal year shall be fixed by a resolution of the Board of Directors.

Article XI

Waiver of Notice

Whenever any notice is required to be given under the provisions of the Not-for-Profit Corporation Act of Illinois, or under the Associations Articles of Incorporation and Bylaws, a waiver thereof in writing signed by persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Article XII

Amendments

The power to alter, amend, or repeal the Bylaws or adopt new Bylaws shall be vested in the Board of Directors, by an affirmative vote of two-thirds of its members. Such action may be taken at regular or special meeting for which written notice, to the Board, of the purpose of the meeting shall be given. The Bylaws may contain any provision for the regulation and management of the affairs of the Association not inconsistent with law.

Article XIII

Informal Action By Directors

A. Any action required by law or these Bylaws to be taken at a meeting of the Directors of the Association, or any other action which may be taken at a meeting of the Directors, may be taken without a meeting if consent in writing setting forth the action so taken, shall be signed by a majority of the Directors. Such consent shall have the same force and effect as a unanimous vote of the Directors and may be stated as such in any articles or documents filed with the Secretary of State under the Illinois General Not-for-profit Corporation Act.

B. Any one or more Directors or members of a committee may participate in a meeting of the Board or committee by means of telephone, email or similar communication device which allows all persons participating in the meeting to have a voice and such participation shall be deemed presence in person at such meeting.

Article XIV

Indemnification of the Directors and Officers; Insurance

Section 1. Indemnification

A. The Association shall defend and indemnify to the full extent allowed by law, any person(s) who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, including without limitation any proceeding involving the IRS or state laws relating to the mismanagement of funds of a charitable organization, whether civil, criminal, administrative, or investigation (other than an action by or in the right of the Association) by reason of the fact that they are or were a Director, Officer, employee, or agent of the Association, or are or were serving at the request of the Association as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonable incurred by them in connection with such action, suit or proceeding, if they acted in good faith and in a manner they reasonable believed to be in, or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person(s) did not act in good faith or in a manner which they reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding had reasonable cause to believe that their conduct was unlawful.

B. The Association shall indemnify any person(s) who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact they are or were a Director, Officer, employee or agent of the Association, or served at the request of the Association as a Director, Officer, employee or agent of another partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by them in connection with the defense or settlement of such action or suit, if they acted in a good faith manner reasonably believed to be in , or not opposed to the best interests of the Association, except that no indemnification shall be made in respect to any claim, issue or matter to which such person(s) shall have been adjudged to be liable for negligence or misconduct in the performance of their duty to the Association, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

C. To the extent that a Director, Officer, employee or agent of the Association has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in paragraphs A and B, or in defense of any claim, issue or matter therein, they shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by them in connection therewith.

D. Any indemnification under paragraphs A and B (unless ordered by a court) shall be made by the Association only as authorized in the specific case, upon the determination that the indemnification of the Director, Officer, employees, or agent is proper in the circumstances, because they meet the applicable standard of conduct set forth in paragraphs A or B. Such determination shall be made 1) by the Board of Directors by a majority vote of a quorum consisting of the Directors who were not parties to such action , suit or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion or 3) by the members.

E. Expenses incurred in defending a civil or criminal action , suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors, in the specific case upon receipt of an undertaking by or on behalf of the Director, Officer, employee or agent to repay such amount, unless it shall ultimately be determined that they are entitled to be indemnified by the Association as authorized in this section.

F. The indemnification provided in this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of the members or disinterested Directors, or otherwise, both as to action in their official capacity and as to action in another capacity while holding such office, and shall continue as to a person(s) who ceases to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such persons.

Section 2. Insurance

The Association may purchase and maintain insurance to insure itself with respect to the defense and indemnification payments which it is obligated to make pursuant to Section 1 hereof and against liability for judgments, taxes, penalties, and all other expenses (including attorney's fees and court costs) on behalf of any person who is or was a Director, Officer, employee, or agent of the Association or who is or was serving at the request of the Association as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against them and incurred by them in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this section.

Section 3. Former Directors, Officers and Employees

The indemnification provided by Section 1 shall apply and any insurance purchased pursuant to section 2 may apply to a person who has ceased to be a Director, Officer, or employee of the Association (or to their heirs, executors, and administrators) with respect to any civil, judicial or administrative proceeding arising from such person's duties as a Director, Officer, employee or agent of the Association.

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