

Item #14:
Village Trustee Marshall
LGBCP Board Meeting

David Lothspeich

From: Jmm1359@aol.com
Sent: Monday, May 17, 2010 2:50 PM
To: jmaguire@longgrove.org
Subject: LG Partners Board Reminder
Attachments: BRDMTGApril2010.doc; Document(3).zip; OwnerLetterPoints.doc

Hi All,
Please read and print out Agenda & all 3 attachments, so we don't have to make many extras. Call in advance if unable to attend, so we can be assured of a quorum.

**LONG GROVE BUSINESS & COMMUNITY PARTNERS
Board of Directors Meeting
Tuesday, May 18, 2010
5:15 PM at Village Hall**

AGENDA

Call To Order

Welcome & Introductions

Review Past Meeting Minutes (April Attached)

Treasurer's Report

Directors Report

Village of Long Grove Report

Executive Committee Report

Correspondence - 2 docs attached separately
Property owner letter and background/talking points

Promotions Committee Report

Special Event Applications

- Outdoor Movies at Timmy's Sandwiches & Ice Cream
- Rotary Club's Heritage Run & Walk - Sept. 11th, 2010 (app pending)
- "Great Tastes" Fine Arts Festival - August 14-15 - Kildeer Countryside PTO & LGBCP (app pending)

Marketing Committee Report

Design Committee Report

Organization Committee Report

Economic Development Committee Report

New Business

Adjourn

NEXT BOARD MEETING: Tuesday, June 15th, 5:15 PM at Village Hall

John Maguire

Director - Community Development

Long Grove Business & Community Partners

307 Old McHenry Road

Long Grove, IL 60047

Office: 847-716-0902

Fax: 847-634-3673

Visitors Center: 847-634-0888

Email: jmaguire@longgrove.org

Long Grove Business and Community Partners

Board of Directors Meeting Minutes

Meeting Date: April 19, 2010

Call to Order at 5:18 PM

Board Members in Attendance: Tim Almy, John Kopecky, Sarah Yerkes, Jaccquie Longeway, Tobin Fraley, Sal Guadagna, Peg Ball, June Neumann, Rachel Perkal, Ami Shah, John Marshall, Karen Krahn,, Rick Petrocelli

Board Members not in Attendance: Bob Stoll

Village Representatives: Dave Lothspeich

Staff: John Maguire, Kelly Happ

Guests: Mary Anne Ullrich

Welcome and Introduction: Peg welcomed Mary Anne

Review Past Meeting Minutes: Question re what Tom had to say – nothing said. No further comments. John Marshall motion to accept, Sarah Yerkes second, so moved.

Treasurers Report: Sal reported state of budget as “ugly” but Chocolate FFest is coming. Signature cards need to be updated with new officers for future. Sal reviewed Exec Committee meeting results to reduce the Admin budget. Sal stated reduction of Director salary in no way tied to performance. Ami commented on status of notification of non-renewal of office lease. GCP is looking at how we can transition given they will actively market the space. Total reduction of the admin budget totals almost 10%. Animated discussion regarding the budget process that happened for the 2010 budget. Sal assured we are going to adjust the budget dates and timetable for the 2011 process. Motion to approve Treasurers Report by John Kopecky, Karen Krahn second, so moved.

Executive Committee Report: Covered in above sections with regard to the exec committee meetings and efforts.

Directors Report: John will not be attending some meetings due to cuts and Chocolate Fest conflicts. A Videographer will be covering the Fest and will come to some stores for creation of a three minute video regarding Long Grove for travel promotion tied with LCVCB. Good meeting with Sunset Foods – target January 2011 opening. Looking forward to becoming involved with us. Pointed out that our current budget has been amended 4 times since November – it is a living document. Projecting that we will need to have at least 20K in the bank come December to get us through the first quarter. We NEED a strong Chocolate Fest!

Village of Long Grove Report: John Marshall stated the Village is continuing to address and trim their budget. New pedestrian crossing signs have come in and will be placed tomorrow.

Design Committee Report: Tobin reported signs are being painted and straightened today. Shout out to John for taking the lead on getting all of this to happen. Large historical photos (12) are being printed for display in empty shop windows. Still need to get access to the Upton properties. Dave mentioned CVS window photo possibility – directed to Angie Underwood.

Economic Development Report: Last week of May, first week of June as possible dates for Steve Robinson of Constant Contact to come for a workshop over breakfast.

Marketing Committee Report: Karen and Ami reported the committee has met several times. Herald and Yahoo partnership is looking quite strong and strategically valid. It is being evaluated right now. Continuing to talk to different entities.

Some are looking strong but no commitments have been made. The Herald insert for Choc Fest is a one page this time but looks very good. Working on consistent placement in Time Out and opportunities for advertorial coverage. WXRT had 8500 views of our page a few days before the Blues event. Waiting to receive results from them but we are continuing to look at the opportunity to expand our involvement with XRT. Talking to Tribune media group as well. Launched the Shop Local campaign working with Organization committee. Rick is working with Restaurant Radio on WIND radio. May be a possibility for a joint venture with some of the restaurants. Rick is looking into possibly becoming a sponsor. Met with Quintessential Barrington for coop advertising possibilities.

Organization Committee Report: Shop Local Shop Long Grove postcards have gone out and only one has come back to Karen. Invitation to other merchants who may want to participate in the give away element of the postcard campaign. Schedule magnets will be distributed at the welcome gates.

Promotions Committee Report: Jackie reported on applications that have come in. LGAMC has submitted applications for concert dates between July and end of August. Recommend approval and move to Village Board. Porsche Car Show has submitted application to be on Towner Green (oops not on their application) as they have in the past. We need landowner permission on this. Recommend approval and move to Village Board. Village Tavern has their own tent for the Strawberry, Apple and Oktoberfest outdoor dining. Dave clarified that alcohol can be served outside in their tent but it can't be taken out and walked around with. Advised the Tavern should double check with their insurance to make sure they are covered in their tented area as it is not covered by the Fest and Village insurance. Recommendation to approve and forward these to the Village Board. Sunday Pig Roast, music plans could overlap with LGAMC concert so two entities will need to coordinate. Peg suggested making sure health department codes are met. Jackie requested insurance and site plans be submitted and then all sent on to the Board. Sal motion to approve, John Kopecky seconded, so moved.

Additional conversation regarding the Killdeer PTO Fine Art Fest involvement with Star Events took place. Suggesting holding the event in Archer lot and the food and drink vendors will be our own in town businesses. Nothing has been formalized but a lot of discussion has been taking place about creative new ways to work together.

New Business – John submitted his fact sheet about traffic etc. Also, a new demographic analysis as to the 10 mile radius to Long Grove. Concerns about efforts being made to fix up the Upton buildings continued.

Adjourn - Motion to adjourn Tim Almay, seconded by Rick Petrocelly, so moved.

Meeting adjourned at 6:58 pm

May 12, 2010

Long Grove Business and Community Partners
Board of Directors
307 Old McHenry Road
Long Grove, IL 60047

(A) Re: Redirection of 2010 SSA funds

Dear Board of Directors:

As a stakeholder group, the property owners of the Village of Long Grove Special Service Area share the common goal of increasing foot traffic and retail sales in downtown Long Grove during the immediate and near term. We feel that the beginning of 2010 has been relatively productive in responding to feedback and adapting to the current economic environment. Visible progress has been made in refreshing and redirecting the organization's efforts and general programs. Continued improvement in the direction of the organization as a whole is needed to maximize the impact of the SSA funds. We feel that in order to continue making progress toward this important goal, further focus and budget reallocation is necessary.

The significant decline in downtown retail sales and increased level of vacancy requires bold and immediate action. We appreciate the time and volunteerism of the board of directors and others involved in the LGBCP committees. In order to preserve the special service area and the revenues it provides to fund the LGBCP as an organization, we recommend the following action steps to be implemented as soon as possible.

- (B) • **Hire an independent professional marketing/public relations firm:** A comprehensive and aggressive marketing campaign is desperately needed to re-introduce downtown Long Grove to its targeted patrons and customers. This represents both the most urgent need and greatest revenue-generating opportunity facing downtown Long Grove today. A professional firm with relevant expertise, valuable media relationships and agency advertising pricing would significantly improve the current program and its performance. A clear scope of work should be developed for a July 1, 2010 contract start. Uncommitted funds from the Marketing Committee budget and funds generated from the recommendations below should be used toward this initiative. We estimate an approximate \$170,000 total marketing budget can be achieved by implementing the recommendations as soon as possible.
- (C) • **Refocus effort and redirect remaining 2010 expenditures to Marketing:** As described above, the most meaningful and direct impact on foot traffic and retail sales can be made through a robust marketing and public relations campaign. Given this, all other committee funds (with the exception of the Promotions Committee) should be immediately redirected to marketing.
- (D) • **Further reduce the Administrative budget:** During the last April board meeting, an \$18,267, or 9.8%, administrative budget reduction was proposed and approved. We feel that this was a step in the right direction, however the additional measures listed below should be taken to further reduce administrative expense. In the context of the current economic environment, these actions represent prudent, cost-conscious measures being taken by most organizations today. We expect that the implementing these actions will result in an additional savings of approximately \$19,000, or 10.2%, that should be re-allocated toward marketing. This is a priority that should be implemented as soon as possible.

- ② ○ Implement all administrative cost reductions presented in April 2010 board meeting
- ③ ○ Eliminate office rent after 6/30; utilize info center and no-cost auxiliary meeting space
- ④ ○ Eliminate Communications Manager position, due to scope of work overlap with the marketing/public relations firm
- ⑤ ○ Adjust John Maguire salary and benefits
 - Eliminate salary increase for 2010 (as already proposed and approved)
 - Review health and dental insurance; reduce any above market coverage
 - Suspend IRA contribution
- ⑥ ○ Rebid property insurance and annual audit contracts

- ⑦ • **Increased Business Property Owner representation on the Executive Committee:** We recommend an amendment to the LGBCP Bylaws be made to increase the representation of Business Property Owners on the LGBCP Executive Committee. Assigned Property Owner representation can be established by either increasing the size of the Executive Committee or by reassigning existing positions. Just as the Village Liaison, Village Manager and Executive Director are specifically identified as Executive Committee members, we recommend that the bylaws formalize that two (2) Business Property Owners be designated to the Executive Committee and occupy two (2) of the four (4) officers positions.

Once again, we all share a common goal of generally increasing the vitality of downtown Long Grove. Each of downtown Long Grove's stakeholders directly benefit from achieving this goal through increased retail sales, sales tax and property value. We feel that the LGBCP organization is a valuable one with an important mission and we look forward to working with the board to implement the actions above.

Sincerely,

Jack Sueses - Hotel Complex - MacTee Real Estate
Long Grove Hair Salon

[Signature] - Red Oaks Properties
Partner on behalf of GCP Long Grove LLC - GCP Mill Pond LLC

[Signature] - The Village Tavern

Paul Tolson Seasons of Long Grove

Randy G. Towne Towne Properties

Susan Loren 410 Robert Parker Coffee
Upton Properties

John A. Kennedy Cosy Lane Blvd.

Village of Long Grove Downtown Special Service Area Property Owners

Cc: Charlie Wachs, John Marshall
 Village of Long Grove Trustees

May, 2010

LONG GROVE BUSINESS & COMMUNITY PARTNERS

- Notes for background information and talking points regarding property owner letter.

Board of Directors,

Last week, Board President Peg Ball was delivered a letter from a group of current property owners in the Historic Business District. We will copy and distribute the letter in advance of the Tuesday, May 18th Board Meeting. While we have continued to adjust operations and budgets to address the current economic conditions, the signers of the letter request more to be done. Some of them have been involved with our history, evolution, strategy and deliberations, while some have no knowledge of our daily operations. And there are other property owners who were not included in the discussion or writing of this letter. So we have to consider various levels of background and perspective. But their questions and concerns as vested partners are valid.

Our inside knowledge of LGBCP operations and the work of committees & staff is a factor that we have to judge as we answer points in this letter. Many people have worked long and hard to establish a professional management organization representing all of our various "Business and Community Partners". While there are serious short-term issues, we strategically designed this organization's structure to maintain at least six areas of work (committees) to keep us moving forward through the years with consistency. And we have!

Tremendous steps forward have occurred incrementally over the past 5 years. We have adjusted staffing, contractors, business affiliations, and more to meet higher expectations every year. But our collective misfortune was to have the local & national economic woes interrupt our upturn and see sales numbers & vacancies have negative impacts on Long Grove. While we've tackled progressively more aggressive projects and responsibilities, the outsider's street-level views may not reflect those efforts. But to assure concerned property owners of the staying power and vision of our organization, we have to work harder to educate them in the principles we use to form the LGBCP, AND that we're open to continually growing and adjusting to the circumstances and conditions around us.

A concern with this letter is that it talks about topics that could easily be discussed personally or at committee levels. Some people signing the letter are on our Board of Directors and somewhat involved already. We've worked hard to establish a fair process, trust and personal relationships where issues can be heard and referred to the right source. As the owner's letter points out, we're all pursuing the same goals and are working every day to make sound decisions.

We have to be cautious not to slide backwards in the professional standards we've set, nor in the public faith and financial support we've earned. The Board is charged with weighing all options and keeping the balance between all interests. So in discussion of these points, we'll try to include background info and sound reasoning for all actions. The Organization Outline that we prepared several months ago detailed much of these facts. We will make better efforts to communicate our actions & operations from every angle, so even if people don't agree, they'll understand realities, and the Board's priorities.

A. Redirection of 2010 SSA funds

While this letter's title refers specifically to the Downtown SSA funds, the proposed considerations would have be adjusted from a total of all budgeted funds that the LGBCP manages.

2010 PROJECTED LGBCP INCOME

LGBCP Promotions / Star Events	274,000
HBD Special Service Area	165,000
Village of Long Grove	40,000
Marketing Income	17,000
Assoc Memberships	15,000
Misc. Comm.	<u>9,485</u>
	520,485

April budget adjustments and options are being updated to compare with possibilities raised.

B. Hire an independent, professional marketing/public relations firm

This step has been an acknowledged goal for some time. The Marketing Committee has already begun collecting company reference materials, sample RFP's (Requests For Proposals), and is investigating possible funding needs & resources. New State of IL Tourism Grant Guidelines announced give us hope to reach outside funds for late 2010/2011 programs. While it would be a big step to find the right firm, agencies who do all the tasks envisioned have rates that have been beyond our capabilities (retainers/hourly rates/commissions). Consumer research and tracking, creative oversight, media negotiation, graphic design, social media programs, public relations and other related specialties come with pricing that would have to be absorbed, on top of the actual production of materials and media purchases in a budget.

NOTE: Suggest a Marketing sub-group of no more than 3 to review Long Grove needs, options, timelines and funding possibilities.

C. Refocus effort and redirect remaining 2010 expenditures to Marketing

The budget adjustments presented in January - April had already cut the budgets of the Design (25K to 12K) & Economic Development Committees (10K to 7K), reducing those efforts to only bare commitments. Most of those remaining funds have been committed or spent already. Organization Committee has remained constant at 10K, because our charter emphasizes that we have to serve "the Community" (as in LGB & Community Partners), and the Membership & Shop Local campaigns have to remain as priorities. Promotions Committee generates income to cover all efforts and to raise extra funds for general budget needs.

IMPORTANT CONSIDERATION: As a 501c3 Not-For-Profit Corporation, our status relies on us being a well-rounded organization that serves for the betterment and preservation of the community as a whole. If the IRS were to determine that too large a percentage of our budget was dedicated solely to Marketing/Advertising for "For-Profit" businesses, our status could be challenged. We are careful to straddle those concepts with our "destination advertising" approach.

D. 1. Further reduce the Administrative budget

2. ***Admin cost reductions*** - All the administrative adjustments discussed in April Exec & Board Meetings were implemented by May 1 .

The community-based "Commercial District Management" industry is one that relies on front-line people with a hospitality mind-set, good communications, creativity and multiple areas of expertise, to implement the model "Main Street Approach". We've tried to build a company that respects and rewards hard work and experience. Having those everyday advocates on the job for LGBCP members, programs and the community has to be the highest priority, to sustain all the other programs.

NOTE: A more productive approach would be to direct the Board, Committees and Members to raise more money to fully implement all the goals stated, and to increase the staff, consultants and resources needed to successfully promote Long Grove at the desired level.

3. ***Eliminate LGBCP office rent*** - Notice to decline lease renewal as of July 31st was given to landlords. Still waiting for response to renegotiation, or other options to consider. Current budget on paper falls short of covering what will have been paid from 1/10-6/10, so no savings are shown and expense will be higher.

NOTE: It is not possible to conduct daily Admin. business from the Visitors Center, due to size constraints, phone & visitor interruptions, V.C. Staff work space needed, etc. We will need to find a space for accessible files, file cabinets, (lots of) supply & equipment storage, internet access and a location to conduct private discussions, phone calls, computer time and other daily work. Off-site meeting locations are possible, but would need full access from early AM until after business hours. The previous Director worked from a home office (7+ years ago, without compensation), but that arrangement would be difficult given the constant access & collaboration needed today. A donated space in close proximity to the HBD is needed, until the budget allows different arrangements.

4. ***Eliminate Communications Manager position*** -

Details & negotiation of employment matters, payroll, benefits are limited to Executive Committee, not for public meetings.

NOTE: The Communications Coordinator spot was created three years ago to accommodate the growing responsibilities of our staff, and the Job Description has expanded since then. Even if an outside marketing/PR firm were retained, the overlap of these very different jobs might be 50%, leaving much extra work to be absorbed by other staffers, volunteers, etc. Most people have no idea how much information management, writing, solicitation, formatting and more has to take place before we turn details over to the public, a contractor, etc. to be published. Until an outside consultant's scope of work is clearly defined, roles & responsibilities established, budget realities weighed and a new system of communications set, we have many tasks to accomplish with the people and projects in place now. If changes are seen as the best option, then Marketing Committee can refer recommendations to the Executive Committee, then to the Board.

5. Adjust John Maguire salary & benefits -

Details & negotiation of employment matters, payroll, benefits are limited to Executive Committee, not for public meetings.

NOTE: An Employment Agreement for FY 2010 is in effect, that covers the items mentioned. Collaborative adjustments have already been made based on Executive Committee meetings. Further discussions can be included on next Exec. Mtg. agenda.

6. Rebid property insurance & annual audit contracts –

We utilize an insurance broker with experience in not-for-profit organizations, volunteer community groups and special events. The packaged policies we carry for everyday business & property, workers comp, liability insurance, special events (including volunteers & property), liquor liability are quoted for the calendar year and we pay installments on the whole. Officers & Directors insurance is paid once at the beginning of the year to cover all people working & volunteering on our behalf.

We could develop a comparable RFP and investigate other brokers for 2011, but we'll want to be sure of qualifications in our specialized categories.

The annual audit is in progress now and billable work has already begun for 2009. The audit fee also includes complete preparation of our year-end taxes. The Current auditor (Mowery & Schoenfeld, Lincolnshire) was one of two recommended by our accounting firm (Seidler & Associates), because of their specialization and knowledge of not-for profit organizations' regulations & reporting requirement. The other firm is located farther away, and utilized by the Village of Long Grove.

If competitive bids are desired, we should take those steps by this Sept. for 2011 budget.

E. Increase Business Property Owner representation on the Executive Committee

This action can be taken by a consensus of the Board – A proposed Amendment can be written, published for notification to the Membership and voted on by the Board at the next Board Meeting.

NOTE: Suggest an Organization sub-group to craft this, and also to review by-laws procedure, timelines, etc. for 2011 planning.

From before it's formation over 5 years ago, the LGBCP continually invited participation from all property owners in the organization's work. Very few attended meetings, acknowledged communications, offered suggestions or volunteered to participate. In fact, we had to search out owner representatives to live up to the bylaws quota. We are glad to incorporate more input, and will try to bring newcomers into the fold with background & procedural information, so that our work and intentions are clear to all.

David Lothspeich

From: Long Grove Business & Community Partners [infocenter@longgrove.org]
Sent: Monday, May 17, 2010 3:10 PM
To: David Lothspeich
Subject: The Long Grove Business Insider May, 2010 - Read Today!

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The Long Grove Business Insider

Newsbriefs for Members of Long Grove Business & Community Partners,

Neighbors, Officials and Associates  
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PLEASE READ THIS

WE PLAN TO CONVERT TO ALL E-MAIL DISTRIBUTION OF OUR BUSINESS INSIDER "NEWSBRIEFS," RATHER THAN HAND-DELIVERIES. LAST ISSUE, ONLY 33% OF RECIPIENTS OPENED THIS NOTE (and we can tell who did and didn't!), LEAVING 66% OF OUR MEMBERS OUT OF THE LOOP.

Please take time to educate yourself to the news and opportunities around you, as we offer all assistance to help you be more successful.

You should be reading this in full color and graphic format. If you're not, please check your HTML settings or "show and hide" buttons a on your email screen.

in this issue

WELCOME TO OUR NEW LOOK

May Newsbriefs 2010 - Pages 1, 2 & 3

Great Tastes Fine Arts Festival Participation - Page 4 (Please highlight & print) World

Tour International Showcase Participation - Page 5 (Please highlight & print) Winning Big

From Festivals - Pages 6 & 7
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M A Y N E W S B R I E F S

Budget Adjustments

The LGBCP continues to adjust its operations and budget to better serve the members and our mission. With ongoing discussions, the Board, Committees & Staff are dedicated to managing the best possible environment for our "Business and Community."

LGBCP Website -

[www.longgroveonline.com/stats](http://www.longgroveonline.com/stats) [http://r20.rs6.net/tn.jsp?et=1103401121950&s=421&e=

0011lrPNZs9BCqih7Pa51IhAvdNy7N4zr71zl7q7GCpPbsazW4NvCUDaGM1dkIae\_

4gEZgngEca8lyVjtST7hXtOVyRkGz1mhng-dA7Tv-LduewzXgYO\_go\_FolQ5ntWsemJ]

The link above breaks down our website usage during the month from 4/1/10 - 4/30/10,

revealing 47,000+ visitors to the site, and much deeper analysis of browser habits. We use this info to help make informed decisions on content, navigation and optimization.

Design Committee

- New Signs! After many tribulations, we have finally been able to install new directional signage at

3 key intersections leading traffic towards the Historic Business District. Some adjustments to the sign post colors are still to come, but there are some other placements we hope to address in the near future.

- Vacant space improvements - Thanks to some local members & volunteers who've helped put better visuals inside some empty spaces, and other who've assisted sprucing up outdoor spaces for the Spring. Hoping we can all take pride in the physical appearance of the HBD and keep up the good work.

Organization Committee

Shop Local Effort

- The logo and supporting info are being incorporated into marketing materials.

To

specifically

outline local offerings, we're planning to publish a brief "Summer News" bulletin to distribute via email, local networks and even print copies for hand-outs. The format asks for businesses to submit a headline & 30 word blurb about your business or events this summer. Pick an exciting, new or unique product to highlight or detail an event that locals could attend.

Please email or drop off your text/copy to the Visitors Center, [infocenter@longgrove.org](mailto:infocenter@longgrove.org) [<mailto:infocenter@longgrove.org>] by Thursday, May 20th to be included.

#### Economic Development

- Demographic & Traffic Numbers - Visit the [www.LongGroveOnline.com](http://www.LongGroveOnline.com)

[[http://r20.rs6.net/tn.jsp?et=1103401121950&s=421&e=0011rpNZs9BCqgZKejALBHRaWq3VVIC\\_QT9oti62pibevZtSQ3FTYIj11qKL7Fyz9YYW\\_dDRcMCRRrWiZ\\_Mv8nI8kDcTslSIN3aHCnsj3ZjWVMRYVP\\_mvNxWq0VQkilKvMU](http://r20.rs6.net/tn.jsp?et=1103401121950&s=421&e=0011rpNZs9BCqgZKejALBHRaWq3VVIC_QT9oti62pibevZtSQ3FTYIj11qKL7Fyz9YYW_dDRcMCRRrWiZ_Mv8nI8kDcTslSIN3aHCnsj3ZjWVMRYVP_mvNxWq0VQkilKvMU)]

website, under the Long

Grove Partners section - Business Opportunities. We've now added estimates and detailed numbers to help analyze market conditions.

- Preparing a Business "Opportunities" document & section, listing business spaces for sale or lease, brief details and contact info.

- Consumer Survey - A next effort will be a consumer survey to learn details about current and future customer concerns & habits. Will also generate a "Business Leads" suggestion file from that survey for us to pursue appropriate new tenants.

- Consumer Survey - A next effort will be a consumer survey to learn details about current and future customer concerns & habits. Will also generate a "Business Leads" suggestion file from that survey for us to pursue appropriate new tenants.

#### Marketing Plans

- The Daily Herald 2010 plan presents opportunities in Friday "TimeOut" & Sunday "Your Time"

sections, co-ops costing \$125-250 for two printings per week.. Encouraging a wide variety of businesses to share the expense and the exposure, for your own benefit! - Part 2 of Daily Herald is a new ongoing online campaign via Daily Herald & Yahoo.com. featuring 100,000 impressions per

month

to our targeted audiences.

- Part 3 of Daily Herald is the sponsorship trade-out for festival advertising, that also offers coop advertising in the special pull-out sections preceding events. Again, these publications need paying participants to print & distribute to 50,000+ potential customers.

-campaign that will run over the next several months, online, in print and through various Midwest markets

- We're also investigating a specific Long Grove/Lake County CVB partnership with their ad agency that will gain us volume of impressions for negotiated rates, and by billing through the CVB, they will contribute 10% of the ad buy. More details to come.

- Overall Marketing strategies are being reviewed to implement with Fall/Winter and 2011 budgets.

Taking steps to coordinate efforts with greatest effectiveness and use of resources.

#### Chocolate Wrap-Up

-Thanks to the Promotions Committee, Star Events, lots of participants, some new alignments and fortunate weather, we kicked the summer season off well. Here's hoping for a great year...!

#### CALENDAR

##### MAY

Tuesday, May 18 - 15 PM at Village Hall - Board of Directors Meeting Friday, May 21 - DEADLINE for Strawberry Fest inclusion Tuesday, May 25 - 8:45 AM at TBA - Organization Committee Meeting Friday, May 28 - 8:30 AM at LGBCP Office - Promotions/Star Events Fest Meeting MEMORIAL DAY WEEKEND - FLY YOUR AMERICAN FLAGS WITH PRIDE JUNE Friday, June 11 - 8:30 AM at LGBCP Office - Promotions/Star Events Fest Meeting Sunday, June 13 - Farmers Market begins Tuesday, June 15 - 5:15 PM at Village Hall - Board of Directors Meeting Sunday, June 20 (Fathers Day) - Porsche Club Concours Tuesday, June 22 - 8:45 AM - Organization Committee Friday-Sunday, June 25-27 - Strawberry Fest Strawberry Fest Applications due As always, we offer our Member Businesses the ½ price participation in the major festivals. If you are interested in an outdoor space for a "retail sponsorship" at \$195, or food vendor space rates between \$600-900, please contact Star Events immediately, fill out all required paperwork & fees and return to Star Events no later than the May 21st deadline.

Call Star Events at 773-665-4682 and identify yourself as a Long Grove Partners "Member". "WHERE ARE THE STRAWBERRIES ????" - On the published Strawberry Fest Map Guide special

section of the Daily Herald, we like to mark all the shops, restaurants, vendors and attractions featuring strawberries, with a bright red strawberry icon. Please call the Visitors Center by June to be included in this.

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World Tour International Showcase -

Sept. 4-5-6 (Labor Day Weekend)

Planning for this new event is underway, now we need commitments from participants.

Music, food, drink, dance, demonstrations, sales and education of world-wide cultures is the theme.

We count at least 15-18 different business who could participate and probably more.

We envision a common \$50-\$100 "buy-in" per business, to help us cover expenses like posters and some

advertising, plus a shopping "Passport" to drive guest to visit all participants

Any business is invited to participate and to "Showcase" a special ethnic or cultural aspect of their

background. The LGBCP is able to promote & advertise the festivities and to assist with coordination.

But, the actual planning of events, entertainment, staging, sound, tents, food & Health Dept matters will be the

responsibility of individual businesses as hosts. Sections of town should plan together and share expenses.

We have the following volunteers already, so contact the following to discuss these areas or call a Promotions

committee person to assemble additional theme areas.

Mill Pond - Bill Hristakos (LG Café 955-9600)

Towner Green - Tim Almy (Timmy's 883-8931)

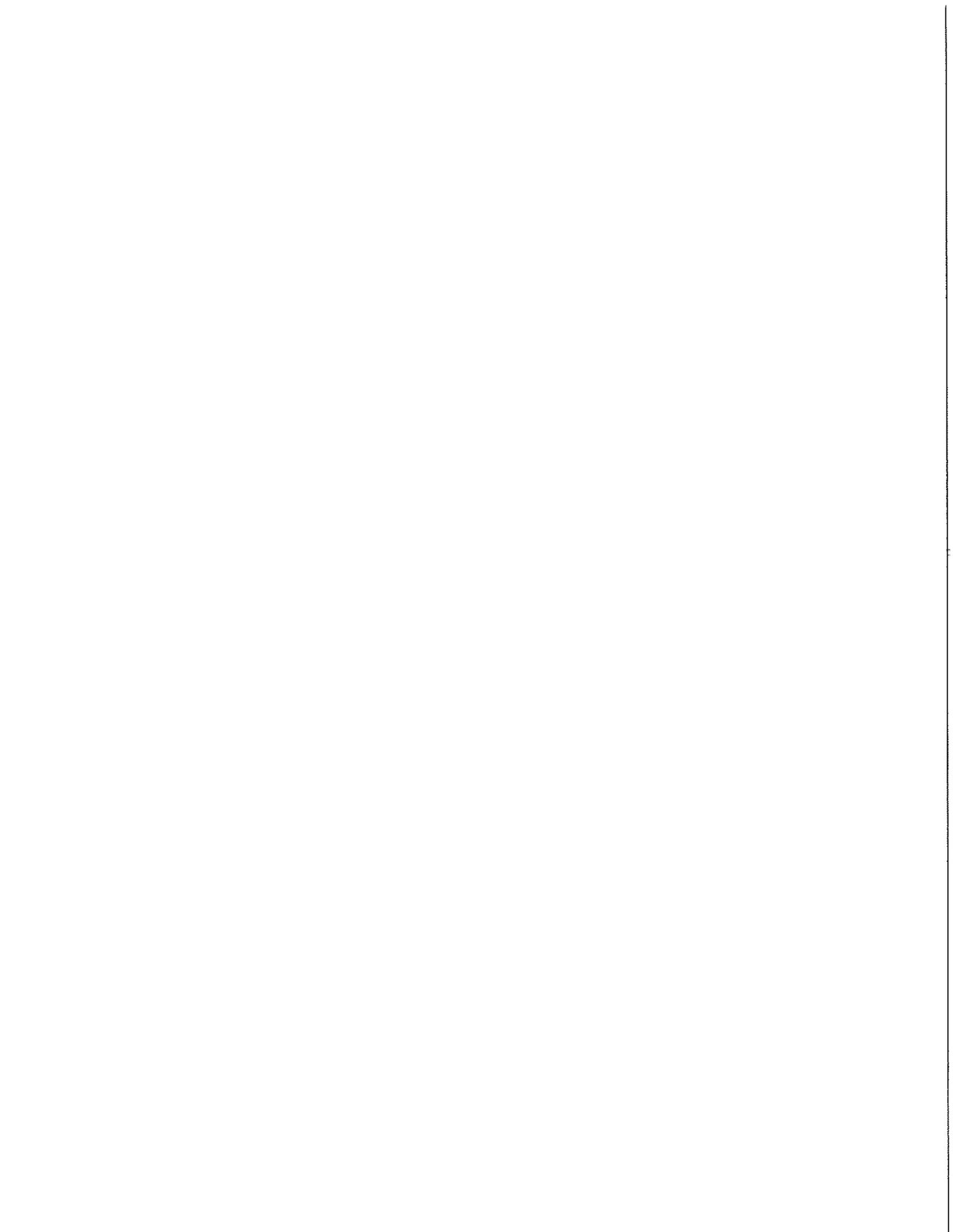
Bridge Area, Coffin Rd - John Kopecky (Country House 634-2292)

Fountain Square area - Rick Petrocelly (Olive Tap 642-5472)

NOTE: All participants and activities must be identified and confirmed by July 1st, for us to do a good

job planning and promoting a new event.  
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VISITORS INFORMATION CENTER (847) 634-0888 WWW.LONGGROVEONLINE.COM
[http://r20.rs6.net/tn.jsp?et=1103401121950&s=421&e=0011rpNZs9BCqgZKejALBHRaWq3VVIC_QT9oti62pibevZtSQ3FTYIj11qKL7Fyz9YYW_dDRcMCRrWiz_Mv8nI8kDcTslSIN3aHCnsj3ZjWVMRYVP_mvNxWq0VQki1KvMU]



BYLAWS OF
LONG GROVE BUSINESS AND COMMUNITY PARTNERS INC.
AN ILLINOIS NON-PROFIT CORPORATION

ARTICLE I
NAME AND PRINCIPAL OFFICE OF CORPORATION

Section 1. The name of this Corporation shall be Long Grove Business and Community Partners Inc., (hereinafter referred to as the “Corporation”). The principal office shall be determined from time to time by the Board of Directors.

ARTICLE II
PURPOSES

Section 1. Purposes: 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 States Internal Revenue law) and more specifically:

- (a) To promote the historic preservation, protection, and use of Long Grove’s traditional downtown area and other commercial areas within the village; including the area’s commercial, civic and religious enterprises and residences;
- (b) To take remedial actions to eliminate the physical, economic, and social deterioration of Long Grove’s traditional downtown area and other commercial areas within the village and thereby promote Long Grove’s historic preservation and contribute to its community betterment by maximizing Long Grove’s economic potential and sales tax revenues while lessening the burdens of Long Grove’s government;
- (c) To disseminate information of and promote interest in the preservation, history, culture, architecture, and public use of Long Grove’s traditional downtown area and other commercial areas within the village;
- (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, marketing and planning management that foster the preservation of Long Grove’s traditional downtown area and other commercial areas within the village, 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 Long Grove dedicated to 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, or corporation, any property, real, personal, tangible or intangible, or any undivided interest therein, without limitation as to amount or 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 purpose 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 to the corporation.

In addition, in furtherance but not in limitation thereof:

The Corporation shall not carry out propaganda or otherwise attempt to influence legislation 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 the 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 (a) through (f).

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

The Corporation shall have such powers as are now or may hereafter be granted under the laws of Illinois that are in furtherance of the Corporation's exempt purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986 or the corresponding section of any future federal tax codes.

ARTICLE III PROJECT AREA AND BOUNDARIES OF THE SPECIAL SERVICE AREA IN THE HISTORIC BUSINESS DISTRICT

Section 1. Description of the Project Area. The Project Area shall be the Village of Long Grove, as indicated on the attached map (Exhibit A). The boundaries of the Special Service Area in the Historic Business District, and the parcels subject to the Special Service Area assessment are indicated on the attached map (Exhibit B).

ARTICLE IV MEMBERSHIP

Section 1. Classes of Membership. The Corporation shall have three classes of members. No members shall hold more than one membership in the Corporation. Except as expressly provided in or authorized by the Articles of Incorporation or Bylaws of this Corporation, all memberships shall have the same rights, privileges, restrictions and conditions.

(a) Business Property Owner members within the Special Service Area are defined as members who own a parcel(s) of land within the historic business district (Exhibit B) based on the current Lake County Assessor's Office records.

(b) General members are defined as residents of Long Grove, other businesses in and outside Long Grove in the SSA, and other individuals, corporate and tourism partners who do not qualify for membership as a Business Property Owner or Business Owner.

(c) Business Owner members in the Special Service Area are defined as members who have a valid lease on a retail or professional office space within the historic business district (Exhibit B).

Section 2. Eligibility. Any business, organization or individual interested in supporting the purposes of the Corporation may become a General 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.

Business Property Owner members within the Special Service Area shall be entitled to membership by virtue of their ownership of a parcel(s) of land in the historic business district without having to pay dues (Exhibit B).

Business Owner members within the Special Service Area shall be entitled to membership by virtue of signing a valid lease for retail or professional office space in the historic business district without having to pay dues (Exhibit B).

Section 3. Dues. The Board of Directors shall establish annual dues for General members, as it deems appropriate. Such establishment of dues shall include method of payment and application procedure. Business Owners and Property Owners within the Special Service Area are automatically members by virtue of the downtown assessment.

Section 4. Number of Members. There is no limit on the number of members the Corporation may admit.

Section 5. Nonliability of Members. A member of this Corporation is not, personally liable for the debts, liabilities, or obligations of the Corporation.

Section 6. Resignation. Any General member may resign from membership in the Corporation upon giving written notice to the Chairman of the Corporation. Such resignation shall specify the effective date. General members who resign shall not be entitled to any refund

of dues paid.

Section 7. Suspension of Voting Rights General Members. The Board of Directors may, in its discretion, suspend the voting privileges of any General member who has been and remains in default of his or her financial obligations to the Corporation for a period of three (3) months or longer.

ARTICLE V MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of members shall be held at the principal office of the Corporation or at such other place or places within or without the State of Illinois as may be designated from time to time by resolution of the Board of Directors.

Section 2. Annual Meeting. The Annual meeting of the members shall be held at Long Grove, Illinois on the first Thursday of November or such other time and place as determined by the Board of Directors, for the purposes of electing Directors to represent the public-at-large and transacting such other business as may be properly brought before the meeting.

Section 3. Special Meetings. Special meetings of the members shall be held at any time and place as may be designated in the notice of said meeting, upon call of the Chairman of the Board of Directors, the majority of the Executive Committee, the majority of the Board of Directors, or upon written petition by at least ten percent (10%) or more of the members.

Section 4. Notice of Meetings. Written notice of every meeting of members, stating the agenda, place, date and hour of the meeting, shall be given either personally or by mail to each member not less than five (5) nor more than thirty (30) 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 Corporation's record of membership. The Corporation may also post the notice of meeting in a newspaper of general circulation not less than five (5) days nor more than thirty (30) days before the date of the meeting. Other interested parties shall be given such notice of meeting, as the Board of Directors shall deem appropriate.

Section 5. Voting. Each member shall be entitled to one vote on each matter submitted to a vote of the members. No fractional votes are permitted. General members shall be entitled to vote thirty (30) days after the General member has paid their dues to the Corporation. Business Property Owners in the Special Service Area shall be entitled to one vote. Business Owners in the Special Service Area shall be entitled to one vote per valid retail or professional office lease.

Section 6. Quorum for Meetings. Ten (10%) percent of the members eligible to vote present in person shall constitute a quorum for the transaction of business at all meetings of the members, except as otherwise provided by statute, by the Articles of Incorporation or by these Bylaws. Voting by proxy shall not be allowed. If a quorum is not present at a meeting of the members, a majority of the members entitled to vote, may adjourn the meeting from time to time without notice other than announcement at that meeting, until a quorum shall be present or

represented. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each member.

When a quorum is present, the members will be divided into their respective classes for the purposes of voting. Members in each class will vote as members of their respective classes. The majority vote in that class will determine the vote cast for that class. Each class will receive one vote. The vote of a majority of the three classes shall decide any question brought before such meeting unless the Articles of Incorporation or these Bylaws require a different vote, in which case such express provision shall govern and control the decision.

Section 7. Conduct of Meetings. Meetings of members shall be presided over by the Chairman of the Board of Directors or, in his or her absence, by the Vice Chairman of the Board of Directors or, in the absence of both of these individuals, by a Chairman chosen by a majority of the voting members present.

Section 8. Roberts Rules of Order. Roberts Rules of Order Newly Revised shall govern the parliamentary procedures of the Corporation when not in conflict with the Bylaws. The order of business may be altered or suspended at any meeting by a majority vote of the members present.

Section 9. Nominating Committee

- (a) The Board shall select a Nominating Committee of not less than three (3) members. Membership on this committee shall be one (1) Property Owner member, one (1) General member and one (1) Business Owner member. A member of the Nominating Committee is eligible for nomination by the Nominating Committee.
- (b) Not less than sixty (60) days before the Annual meeting, the Nominating Committee shall solicit from the membership and other sources, proposed members to the Board of Directors.
- (c) The Nominating Committee shall select a slate of proposed Board members consisting of a number of not less than the number of positions being vacated for that year. These nominees may be selected from those proposed by the membership, the Board of Directors, the Nominating Committee or any other source.
- (d) The Board of Directors shall review the slate of nominations and accept or reject it in whole or in part. Should the number of rejected candidates cause the slate to be less than a full slate of nominees to fill all vacant positions, the slate shall be returned to the Nominating Committee for additional nominations.
- (e) After acceptance of the slate of nominations by the Board of Directors, the Nominating Committee shall present the slate of nominees to be voted upon at the Annual meeting.

Directors shall be elected at the Annual meeting by a majority vote of the membership classes present at the meeting.

ARTICLE VI
BOARD OF DIRECTORS

Section 1. Number, Selection and Term. The corporation shall be governed by a Board of Directors of not less than nine (9) or more than fifteen (15) Directors. The exact number of Directors shall be fixed by resolution of the Directors from time to time.

The Business Property Owners and Business Owner members in the Special Service Area shall constitute a majority of members on the Board of Directors by occupying a simple majority of Board seats.

The term of office for each Director shall be three (3) years, except the term of the first Board of Directors shall be as follows:

- a) One third shall be elected for one year
- b) One third shall be elected for two years
- c) One third shall be elected for three years

Thereafter, one third of the Directors shall be elected at each annual meeting of the members.

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. Directors may be reelected to the Board after sitting off the Board for at least one year.

Section 2 Vacancy, Resignation and Removal. 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 members of the Board of Directors. A Director elected to fill a vacancy shall be a member of the same class and shall be elected for the unexpired term of his or her predecessor in office. Any Director elected to fill an unexpired term may stand for election to the Board. Any Director may resign by submitting written notice of resignation to the Chairman. 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 3. The Executive Director. The Executive Director shall be a nonvoting member of the Board of Directors and the Executive Committee and shall be present at all necessary meetings unless the Board otherwise instructs the Executive Director.

Section 4. Regular and Special Meetings. The Board of Directors of the corporation may hold regular and special meetings. Regular meetings of the Board shall be held not less than six (6) times each year. Special meetings of the Board may be called by the Chairman, by the Executive Committee, or by four (4) or more Directors. Written notice of the time, date, place

and agenda for both regular and special meetings shall be given to each Director either by personal delivery, mail, phone or email, at least five (5) days before the meeting.

Section 5. A Quorum. At all meetings of the Board of Directors, a majority of the voting members thereof shall constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of the Board, 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 6. Action Taken. Any 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 consent thereto in writing, setting forth the action so taken, and the writing or writings are filed with the minutes of the proceedings. Such consent shall have the same force and effect as a unanimous vote of the Board.

Section 7. Orientation Program. All new members of the Board of Directors shall participate in an orientation program familiarizing them with the goals and objectives of the Corporation and with their responsibilities

Section 8. Meetings by Conference Telephone. Any one or more members of the Board of Directors may participate in a regular or special meeting of the Board of Directors by, or conduct the meeting through the use of any means of conference telephone or similar communication equipment by which all Directors participating in the meeting may simultaneously hear each other during the meeting. A Director participating in a meeting by such means is deemed to be present at the meeting.

Section 9. Compensation of Directors. The Corporation shall not pay any compensation to Directors for services rendered to the Corporation in their capacity as Directors except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by or in accordance with policies approved by a majority of the entire Board.

ARTICLE VII COMMITTEES

Section 1 Number of Committees. The corporation shall have at least five (5) standing committees, which shall be entitled Promotion, Design, Economic Development, Organization and Marketing. All of the committees shall have two Co-chairs both of whom shall be members of the Board of Directors of the corporation and shall be responsible for directing and coordinating the affairs of the committee. Committee Co-Chairs shall be nominated annually by the Board of Directors.

Section 2. Additional Committees. The Board of Directors, by resolution adopted by a majority of Directors in office, shall designate an Executive Committee. 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 named standing committees, each of which shall consist of one or more Directors and which shall to the extent provided in said resolution have and exercise

the authority of the Board of Directors in the management of the corporation. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated and appointed by a resolution adopted by the majority of the Board of Directors at a meeting in which a quorum is present. 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 upon them by law.

Section 3. Executive Committee. The Executive Committee shall be comprised of seven (7) members: four (4) officers of the Corporation, the Village of Long Grove Liaison representative, the Village Manager of Long Grove and the Executive Director. The Village Manager of Long Grove and the Executive Director will serve as Ex Officio, non-voting members of the Executive Committee. The Chair of the Board of Directors shall be the Chair of the Executive Committee. The Executive Committee shall meet in accordance with a schedule adopted by the Committee or as set by the Chair. Each meeting shall be open to attendance by any other Director, provided however, that the Executive Committee may meet in executive session if prior notice is given to all Directors. Executive sessions may be called for matters deemed confidential or sensitive regarding personnel, real estate or private business practices. The Executive Committee shall possess and may exercise all of the powers of the Board of Directors within the established policies of the Board of Directors and within the limitations outlined in Section 2 of these bylaws. The Executive Committee shall keep minutes of its meetings, and all actions taken by the Executive Committee shall be reported to the Board of Directors at the next meeting.

Each member of the Executive Committee shall continue as such until the next Annual meeting of the membership and until his or her successor is appointed, unless such member is removed from the Board of Directors or ceases to qualify as a member.

Ex Officio members of the Executive Committee shall be bound by the conditions of Sections 2 and 7 of Article VI. The Village Manager of Long Grove shall continue to be a Director so long as he or she continues to hold the office from which his or her Ex Officio status derives, and shall cease to be a Director immediately and automatically upon ceasing to hold such office, without the need for any action by the Corporation or the Board.

Appointments made in the same manner as provided in the case of original appointments may fill vacancies in the Executive Committee.

The majority of the Executive Committee shall constitute a quorum and the majority vote of the Executive Committee members at a meeting at which a quorum is present shall be an act of the Executive Committee.

Section 4. Village of Long Grove Liaison Member to Executive Committee. It is contemplated that the Village of Long Grove will appoint a liaison from the Village Board to serve as a voting member of the Executive Committee.

The Village of Long Grove Liaison Member to the Executive Committee shall continue to be an Executive Committee member so long as he or she continues to hold the office from which his or her Ex Officio status derives, and shall cease to be an Executive Committee member

immediately and automatically upon ceasing to hold such office, without the need for any action by the Corporation or the Board.

ARTICLE VIII OFFICERS

Section 1 The Officers. The officers of the Corporation shall be elected annually by the Board of Directors and shall consist of a Chairman, Vice Chairman, Secretary, Treasurer and any such officers and assistant officers as may be deemed necessary.

Section 2. Officers Election. Officers shall be elected at the first meeting of the Board of Directors after the Annual meeting. All officers shall be elected by a majority of the voting Board members present at the meeting or present by conference telephone or similar communication equipment.

Section 3. Officer Duties. Except as hereinafter provided, the officers to the Corporation shall 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 Board of Directors.

A. Chairman. The Chairman 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 Chairman shall perform such duties as are usually incumbent upon that officer, including direct supervision of the Executive Director of the corporation, and such duties as may be directed by resolution of the Board of Directors.

B. Vice Chairman. The Vice Chairman shall have such duties and responsibilities as the Chairman or Board of Directors may from time to time prescribe.

C. Secretary. The Secretary shall record and maintain in good order minutes of all Board, Executive, Annual and Special meetings. The Secretary shall mail copies of minutes of the Board and Executive Committee meetings to the Board within fifteen (15) days of the meeting. The Secretary shall also make available at the corporation's office and at the Annual meeting, all approved Minutes of the Board, Executive and Annual membership meetings within thirty (30) days of the conclusion of the meeting. The Secretary shall have other duties as may be assigned by the Board of Directors.

D. Treasurer. The Treasurer shall be the principal accounting and financial officer of the Corporation. He or she shall:

- (a) Be responsible for the maintenance of adequate books of account for the corporation.
- (b) Have custody of all funds and securities of the Corporation and be responsible for the receipt and disbursement thereof, and
- (c) Perform all duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him or her by the Chairman of the Board of Directors, or the Board of Directors.

E. Temporary Officers. In case of the absence or disability of any officer of the Corporation and of any person authorized to act in his or her place during such periods of absence or disability, the Chairman may from time to time delegate the powers and duties of such officer to any other officer.

ARTICLE IX EXECUTIVE DIRECTOR

Section 1. Duties. The Executive Director shall manage the daily operation of the Corporation. The Executive Director shall be responsible for implementing the Corporation's policies and projects and such other duties as the Board of Directors may assign. The Executive Director shall receive for his or her services such compensation as may be determined by the Board of Directors.

ARTICLE X FINANCES

Section 1. Financing. The Board of Directors shall authorize appropriate officers to execute all checks, drafts and other instruments for the payment of money and all instruments of transfer of securities, which shall be executed in accordance with the then current Board Resolution.

Section 2. Deposits. All funds of the Corporation shall be deposited on a regular basis in such banks or other depositories as the Board of Directors may select.

Section 3. Contributions. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

Section 4. Budget. Each year, within sixty (60) days of the election of the Board of Directors, the Board shall approve a Corporation budget for the fiscal year.

ARTICLE XI GENERAL PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

Section 2. Document Preparation. Not later than three (3) months after the closing of each fiscal year, the Corporation shall prepare:

- (a) A balance sheet showing in reasonable detail the financial condition of the Corporation at the close of the fiscal year; and
- (b) A statement of the receipts and disbursements of funds showing the results of the operation of the Corporation during the fiscal year.

Section 3. Indemnification of Directors. The Corporation will indemnify its Officers and Directors to the fullest extent allowed by Illinois law.

Section 4. Conflict of Interest. Conflict of Interest shall be defined as any circumstance that involves both Downtown Long Grove and the governmental body or private business or organization, of which the board or staff member is a member, which could have a financial impact on Long Grove or the corporation.

In the event of a conflict of interest the board member shall recuse themselves from taking action on that issue. In the event the board member refuses or otherwise fails to recuse themselves from voting on that issue then a majority of the Board of Directors may direct the secretary to exclude the vote of any board member having a conflict of interest on that issue.

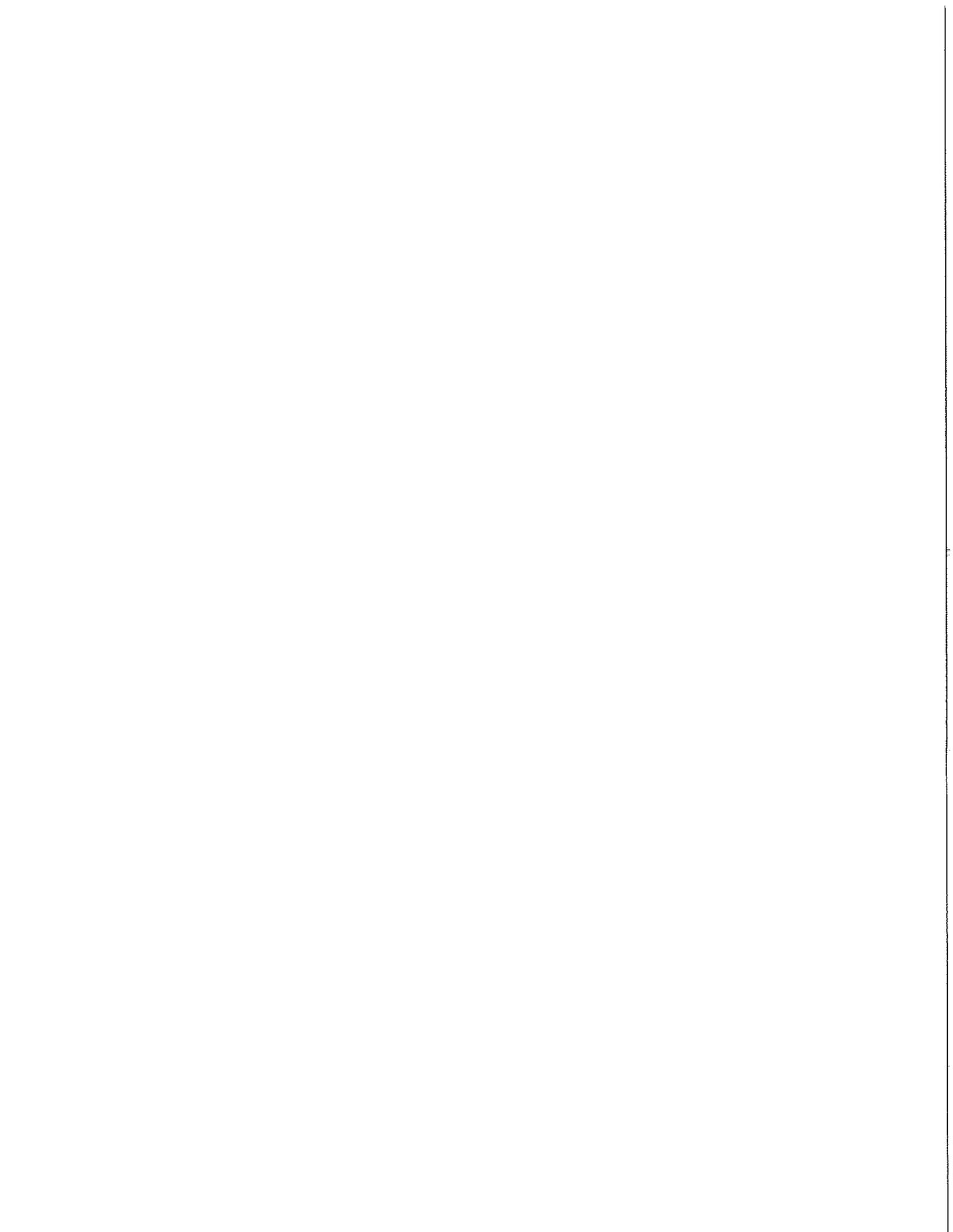
Section 5. Section Headings. Article titles and section headings contained herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of these Bylaws.

Article XII AMENDMENTS

Section 1. Power to Amend. The Board of Directors shall have the power to alter, amend or repeal the Bylaws by a two-thirds vote of the Directors present at any duly called meeting of the Board, provided that no such action shall be taken if it would in any way adversely affect the Corporation's qualification under Section 501 (c) (3) of the Internal Revenue Code of 1954 or corresponding sections of any prior or future law, and any such purported action shall be deemed void.

ATTACH EXHIBIT A MAP HERE—map of Village of Long Grove

ATTACH EXHIBIT B MAP HERE--List of all parcels (by PIN number) to be assessed as part of the Special Service Area in the historic business district.



LONG GROVE
COMMUNITY DEVELOPMENT CORPORATION (CDC)
- Long Grove Business and Community Partners Transition Team -
307 Old McHenry Road Long Grove, IL 60047

September 12, 2005

To: Long Grove Property Owners
Re: Downtown SSA and responses to questions

Dear Long Grove Property Owners,

The Long Grove CDC and the Transition Team have been working for almost two years to craft a strategy to deal with the changing times we're experiencing in Long Grove. We're very optimistic that this new approach will prepare us for much better days ahead.

We encourage you to support this proposal by NOT objecting to this Special Service Area (SSA). By standing with us, we pledge to make this a beneficial transition that will enhance your real estate investment in Long Grove. Association leaders and the majority of businesses involved have been insisting that we "Do something!" to take matters into our own hands to improve the business conditions in Long Grove as soon as possible. While this costs money, the cost of doing nothing is much higher. We can't control the economy, competition or outside factors, but we can do a better job of making changes to enhance our own properties, to the way we manage ourselves and to more aggressively tell the public about our fascinating destination.

We've researched many possible solutions, and this reorganization, partially funded by a Special Service Area, offers us the best short and long-term stability and opportunities. SSA's are used in many of the most successful downtowns across the country, to provide the necessary funds to operate a professionally managed commercial district. Each owner was recently given a packet of information outlining the new structure and funding proposals. We continue to clarify these points and want to address some specifics raised in a letter about the SSA that you may have received.

We respect questions and thoughts about the upcoming reorganization and Special Service Area, but want to assure you that all these issues have been carefully considered. The CDC representatives from all three partner groups (the Property Owners Assn., The Merchants' Assn. and the Village of Long Grove), have worked to make this new organization creative, fair and productive, a professional organization that will make a difference in the way Long Grove's manages business issues in the future.

To address some of the concerns that have been raised:

The proposed SSA shifts the major financial responsibilities to the owners...

- **NOT TRUE.** The HBD property owners have the most to gain from a vibrant, attractive district where their investments increase in value as the business environment improves. The SSA collects revenues from the property owners, who in turn share the expense with the businesses occupying their buildings.

Of all owners who collect rent, many include common area charges from tenants as part of their leases. This assessment could be an extension of those monthly charges, and owners will be provided with a sample "rider" to add to tenant's leases, explaining the fair split and keeping the owner/tenant shares similar to what is being paid now to separate organizations.

This assures that *every* business and property is equally represented in benefits and contributes to their success on an equalized rate. In fact, the total SSA budget we project in 2007 is near \$440,000, and the property owners are contributing only about 36% (and half of that can be shared with tenants). The majority of the funding for the reorganized group is from the income from the festivals (vendor fees and sponsorships), the Village and new revenue from outside memberships, fundraising and organizational sponsorships.

If approved, we are locked in for a period of 50 years with a cost of living increase...

- **NOT TRUE.** The organization's budget and all operations will be reviewed every year by the Board of Directors, (a majority of which is required to be property owners and merchants), and the Village Board. The assessment rate each year will be driven by the proposed budget. No rate changes are automatic; they're set each year using the Consumer Price Index-All Urban Consumers (CPIU) as a cap. If other revenue sources can carry the budget, the property assessment can be decreased. The SSA ordinance states that it can be dissolved at any time, following the same procedures used to establish it.

The Village is not locked in to their contribution...

- **TRUE.** However, the Village has voluntarily committed to provide its annual appropriation of \$50,000 in funding to the SSA and an increase its annual contribution by the Consumer Price Index (urban) each year. There will also be a management contract between the Village and the LGBCP detailing the dispersal of funds to the LGBCP Board to administer the organization. This Village Board cannot commit funds beyond its own four-year tenure and bind future elected officials. In their best interests, the Village of Long Grove will always be vested in the financial strength of the retail sector, as sales tax revenues play an ever-increasing importance to their budget. The SSA funds cannot be spent in any other way, and will generate a solid base for operations. Regardless of Village support, the business community will be able to carry on its management duties.

Property owners are responsible for the entire budgeted amount and must pay for vacant shops and collect from tenants...

- **NOT TRUE.** Property owners own an asset that must be maintained and managed for the long-term. Property owners will always have tenant turnover, as well as the ability to attract new viable tenants to add to their tenant mix.

The CDC organizations have relied on volunteers to collect dues, with increasing difficulty and decreasing revenues. This uncertainty has made proper planning and management very difficult, and the costs for keeping our destination active and attractive continue to rise. The new proposed budget includes many items that were always "add-ons", special pleas to merchants throughout the year. The new budget will help relieve that pressure from volunteers and mean less begging businesses for donations throughout the year. The SSA "once a year" budget will allow for long-term stability. The other two thirds of the budget will still have to be earned yearly by the new LGBCP through festivals, memberships, sponsorships and grant writing.

The additional real estate taxes immediately devalue our properties...

- **NOT TRUE.** This is a completely undocumented opinion. Real estate holdings in a good, thriving commercial district will appreciate based on their building's condition, occupancy, rent levels and comparable sales in the neighborhood. The overall economy and a better image for the Historic Business District are factors that will help raise the value of your properties.

Our current financial responsibility to the CDC is \$50,000. Under the SSA tax assessment of up to \$180,000, the property owner's contribution would nearly double ...

- **NOT TRUE.** Currently, if every property owner and merchant paid the voluntary dues that they were billed for, the entire district would generate \$119,677. In reality, collections this year will be approximately \$102,000, because some people feel they can't or won't contribute. The proposed budget for 2007 shows an SSA revenue of \$161,940.95, a 22% increase over what we should be collecting now.

Property owners will play a key role in determining every year's budget and assessment, so that rate could go down or at least be capped. The ability to pay the assessment in two installments on your tax bill and to spread the merchants' shares throughout the year with their monthly rents has been viewed as a positive attribute of this proposal. This assessment completely replaces the former dues systems used by the Merchants' Assn. and the Property Owners Assn., and the new budget includes many more benefits to merchants and property owners alike.

For Long Grove to regain its stature, we need to have everyone fully committed, so everyone benefits when we enhance and market the destination. NO ONE BUSINESS CAN SURVIVE ALONE. WE NEED EACH OTHER TO SUCCEED.

Everyone pays, everyone gains.

It has been made very clear by the various consultants that the CDC has retained in the last two years that operating a district or destination like Long Grove on a \$150,000 a year budget is totally unrealistic in today's competitive marketplace.

One of the problems that this would correct is that the funding formula has not changed for the 8 years the CDC has existed. The same \$150,000 from 1997 has much less buying power now, and the equations used to generate those dollars are unfair (MA & PO dues). If an equitable rate had been established then (requiring everyone to pay) and an annual inflation rate included, the income (dues) would be over \$200,000 already.

Problems of a changing economy... demographics... shopping in daylight hours... competition...

- **ALL VERY TRUE.** But unless we have one stable organization that has the influence, buy-in, resources and trust of the entire business district and the community, we'll continue to have owners and merchants following their own paths, without a coordinated effort. These issues can't just be acknowledged, they have to be managed by a professional organization and staff.

No amount of advertising or public relations can change this fact...

- **NOT TRUE.** Retail experts and the current Boards believe that the worst thing we can do in a slow business climate is to cut back on advertising, and in fact, more is called for. Reducing your visibility to the public can only reduce your chances of attracting visitors and sales. The one consistent plea of merchants throughout town is that we need to do more destination advertising to keep up with all the other retail options that consumers are bombarded with. The CDC, Merchants and the Transition Team feel strongly that increasing the current combined marketing efforts from approximately \$30,000 to \$90,000 is one of the best, most immediate benefits of this new budget.

- *In regard to comments about the Village of Long Grove's business-related policies, those have nothing to do with the proposed Special Service Area.*

We'll continue to work closely with the Village to make the processes, regulations and environment for business as clear and positive as possible. Given this, we would like to comment on two issues that have been brought up:

Sales tax referendum – The Village will be considering the maximum one half a percent (½%) raise in the local sales tax soon. If it is passed and begins generating revenue, then by law, those additional monies can only be spent on infrastructure improvements (like sidewalks, parks, streets, etc.), – not on promotions, events, marketing, business assistance, tourism or management. The sales tax increase cannot be used to promote the downtown, only to provide infrastructure improvements.

Parking requirements--The issues of parking requirements and zoning regulations would be very important matters for the new organization's "Design" and "Economic Development" committees to spearhead. The Village has professed a very pro-business attitude lately, and if well-researched alternatives were presented to these challenges, we have every reason to believe they would be addressed.

In the past two years, the Village has been asked to consider exceptions and changes to codes to accommodate business developments, such as the business size & outdoor dining requirements (Long Grove Café, Enzo & Lucia's), liquor license classifications (Glunz Family Winery, The Studio) and permanent & temporary sign requests (Suzi's Tea & Café, Beans & Leaves special event). Because there are many regulatory codes in place that may be outdated or need revision to reflect today's commercial needs, the entire code book is being revised at this time. The LGBCP will be very involved with the process, to make sure that modern-day business concerns are addressed creatively, while retaining Long Grove's unique atmosphere.

In conclusion, we hope you'll take the time to read all the materials presented to you, and call one of the Transition Team members if you still have questions about the SSA. Throughout the Public Hearing and 60-day period following, we're glad to help you understand the benefits of embracing this new system. But please consult us before you consider objecting. The Transition Team has spent two years coming up with this plan, and we believe that it is fair, realistic and provides increased benefits to property owners and merchants alike, and urge you to support the Special Service Area. Your participation will help make Long Grove an even better destination for visitors, residents and tourists, and an attractive home for vibrant businesses.

Please contact us at any time if we can answer more questions.
Sincerely,

THE TRANSITION TEAM

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