

By-Laws July 2, 2013, Revised January 2016, Revised March 7, 2019

Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws. The Board of Directors of the corporation shall be authorized to amend the Corporation's Bylaws at a properly noticed special or regular meeting of the Board of Directors and after a 30 day notice period to the membership to allow for comments and concerns.

Bylaws of Buy Local Scarborough

1. Offices

- 1.1 **Principal Office:** The principal office of Scarborough Community Partnerships, DBA Buy Local Scarborough, a Maine non-profit corporation, shall be located at the office of the registered agent. The mailing address is Buy Local Scarborough, PO Box 1193, Scarborough, Maine 04070. In the absence of a physical office, the address of the Registered Agent shall be used by the Corporation.
- 1.2 **Registered Office:** Buy Local Scarborough shall engage a registered agent whose name and address shall be reflected in the appropriate filings.

2. Board of Directors

- 2.1 **General Powers and Standard of Care:** The business and affairs of the Corporation shall be managed under the direction of the Board of Directors except as may be otherwise provided in the Articles of Incorporation. A Director shall perform such duties enumerated in the Articles of Incorporation or these By-laws in good faith, in a manner such Director reasonably believes to be in the best interests of the Corporation, and with such care and loyalty as an ordinarily prudent person in a like position would use under similar circumstances. In performing such Director's duties, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:
 - a) Other officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;
 - b) Counsel, public accountants or other persons as to matters that the Director reasonably believes to be within such person's professional or expert competence; or
 - c) A committee of the Board upon which such Director does not serve, duly designated in accordance with a provision of these Bylaws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence; Such Director shall not be considered to be acting in good faith if such Director has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who exercises such standards of care shall have no liability by reason of being or having been a Director of the Corporation.

2.2 **Duty to operate in good faith:** It is expected that all Directors will support a formal decision in good faith once it has been approved by a majority of the Board of Directors.

2.3 **Number, Election and Qualification of Directors:** The number of Directors serving on the Board of Directors shall not number less than three (3) nor more than eleven (11). Each Director shall serve a term not to exceed two years. The names and addresses of the members of the first Board of Directors have been stated in the Articles of Incorporation. Such persons shall hold office until the first annual meeting of the Board of Directors and until their successors shall have been elected and qualified. The Board of Directors shall be elected at the annual membership meeting every year thereafter. Directors may also be elected via an annual electronic poll of the membership. Each Director shall hold office for the term for which such Director is elected and until such Director's successor shall have been elected and qualified.

2.4 **Vacancies:** Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of such Director's predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors may be filled by the Board of Directors for a term of office continuing only until the next regular election of Directors at the next annual meeting or annual electronic poll of the membership.

2.5 **Removal of Directors:** At a meeting of the Board of Directors called expressly for that purpose, any Director may be removed with good documented cause by a vote of two-thirds of the Directors then in office.

3. **Membership:** There will be four classes of membership. The benefits for these classes are incorporated into these by-laws. An annual meeting of the membership will be scheduled by the Board of Directors. Only members in good standing are allowed to use signs or other promotional items that identify them as members of Buy Local Scarborough or to vote at the Annual Meeting. The Board of Directors shall determine the dues and specific program opportunities available to members. Applications will be reviewed either by the Board or a sub-committee of the Board appointed for that purpose and will be voted on by the board at a regular board meeting.

3.1 **Locally Owned, Independent Businesses:** Membership criteria is as follows: the business is privately held; the business is located in Scarborough, ME; the business is registered in Maine with corporate headquarters in Maine; the owner(s) have full decision making authority over the business. In the case of a business that is part of a larger, Maine-based chain, not headquartered in Scarborough, if the business has no more than 12 locations, the business is eligible if it otherwise meets the above criteria. Nothing in this definition shall be construed as automatically limiting businesses operating under licenses required by the State of Maine from membership, nor from barring businesses that operate under an affiliation license, but who otherwise own and have decision-making authority over the conduct of the

- business. Businesses operating as franchises of corporations located outside the Town of Scarborough are not eligible for membership under this category.
- 3.2 **Non-profit Organizations:** Any non-profit organization registered in Maine with a valid 501c (3), (4) or other types of Letters of Determination from the IRS or fiscal sponsor may be admitted as a member. Non-profit criteria are as follows: the non-profit is registered, operates in Scarborough Maine and has a valid 501c3, c4, or fiscal sponsor; the board of directors has full decision making authority.
 - 3.3 **Individuals:** Individuals who do not apply as an owner or employee or board member of any business or nonprofit organization, but who support the goals of Buy Local Scarborough, may become members. Individual members will not receive the same benefits as either of the above two classes of membership. Criteria for individual membership are as follows: application for only an individual who does not represent any business or non-profit organization. Individuals are allowed to vote at the annual meeting, but their votes shall be counted at .5 of a full vote. The Board of Directors shall determine the dues and specific program opportunities available to individual members.
 - 3.4 **Friends of Buy Local Scarborough:** Businesses that do not meet the criteria of independence in 4.1 but whose owners and/or management are otherwise from Scarborough or a surrounding community and support the Buy Local movement may be granted Friends of Buy Local Scarborough membership status. These businesses are not entitled to a vote at the Annual Meeting, nor are their representatives eligible for a seat on the Board, but they are eligible for committee membership and they are entitled to such specific program opportunities as the Board of Directors shall deem appropriate.
4. **Annual Meeting:** Each year, prior to the close of the fiscal year, upon thirty-days' (30) notice, the Board shall call an annual meeting of the members for the purpose of electing new directors to the board and providing statements of the financial condition of the organization and on the activities and accomplishments over the prior year, and for the conduct of any other business that may appropriately carry out the mission of the organization.
 - 4.1 **Quorum and voting:** For purposes of a quorum, representatives of 20% of the membership must be present. 20% is determined by one (1) voting member from each organizational member, either a locally owned business or a non-profit. Individual members have .5 votes. Friends of Buy Local Scarborough members have no votes, but may attend the meeting and speak on behalf of their organizations. Each business shall send a delegate. The delegate may be asked to produce a statement of proxy, indicating that said individual has the right to vote on behalf of that organization.
 5. **Standing Committees:** The Board of Directors may organize any committees, either standing or adhoc. The President shall, from the Board of Directors, appoint the chairman of each Committee to serve for one year. Members in good standing with the organization may serve on said committees.

5.1 Membership: Each committee shall consist of at least one member of the Board and such additional volunteers from among the membership as are necessary to carry out the duties of the committee.

5.1.1 Authority: Committees, to the extent provided in any resolution establishing the committee, shall have and exercise only the authority delegated to them and be responsible to the Board of Directors; No Committee shall have the authority of the Board of Directors to (i) authorize distributions (ii) approve dissolution, merger or the sale, pledge or transfer of all or substantially all of the Corporation's assets, (iii) elect, appoint or remove directors or fill vacancies on the Board of Directors or on any of its committees, or (iv) adopt, amend or repeal the Articles or these Bylaws. The designation and appointment of any such committee and the delegation of authority to a committee shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon the Board of Directors, or any individual Director.

5.1.2 Tenure: Each member of a committee shall continue as such until the next annual meeting of the Corporation and until a successor is appointed unless (i) the committee is sooner terminated, (ii) such member is removed from the committee, or (iii) such member ceases to qualify as a member of the committee.

5.1.3 Chairperson: The chair of each committee shall be a member of the Board of Directors.

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

5.1.5 Resignation: Any committee member may resign at any time by giving written notice to the President or the Secretary of the Corporation. Unless otherwise specified in the notice of resignation, the resignation shall take effect upon receipt. Acceptance of the resignation shall not be necessary to make the resignation effective.

5.1.6 Removal: Any committee member may be removed by the Board for good cause. Removal from an active committee can be appealed to the Board of Directors.

5.1.7 Quorum: Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

5.1.8 Rules of Order: The rules contained in the most current edition of Robert's Rules of Order shall govern the meetings of committees where not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

6. Directors' and Committee Meetings: Meetings of the Board of Directors, regular or special, or meetings of any committee designated thereby, may be held at appropriate

locations within Scarborough. Except as otherwise provided in this section, regular or special meetings of the Board of Directors or any committee designated thereby may be called by or at the request of the President, any Director or the chair of a committee, as the case may be, upon written or oral notice given to all other Directors or committee members at least three (3) days before the meeting. Members of the Board of Directors or any committee designated thereby may participate in a meeting of the Board of Directors or such committee by conference telephone or similar means which will allow participants to hear each other at the same time, and the participation by such means shall constitute presence in person at a meeting. For any meeting held by conference telephone or similar communications equipment, notice of the meeting shall be given at least with (1) day prior by telephone or other communication directly with the Directors and/or committee members.

6.1 Waiver of Notice: Whenever any notice is required to be given to any Director or committee member under the provisions of The Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

6.2 Quorum and Voting Requirements: A majority of the number of Directors fixed by section 3.3, 3.4 of these Bylaws shall constitute a quorum for the transaction of business at meetings of the Board of Directors. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. A majority of the number of committee members fixed and appointed by the Board of Directors or the President, as the case may be, shall constitute a quorum for the transaction of business at a meeting of such committee. The act of the majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

6.3 Action Without a Meeting: Any action required by The Articles of Incorporation to be taken at a meeting of the Board of Directors of the Corporation or the Annual Meeting, or any action that may be taken at a meeting of the Directors or of a committee, may be taken without a meeting through votes recorded and filed from e-mail responses by the Board of Directors. If approval of an action is required in between board meetings, a board director may solicit approval for a topic in question via e-mail and keep track of responses for file relative to that specific action.

6.4 Compensation: No Director or committee member shall receive a salary or other compensation for service in that capacity, but may be reimbursed for actual expenses incurred in the performance of such service. This provision shall not preclude any Director from serving the Corporation in a business capacity if the criteria in 7.5 are met.

6.5 Director Conflicts of Interest: A Director shall not vote on any contract, written or implied, that would provide him with a direct or indirect business benefit. The Director may not lobby or otherwise influence Board Members in such a decision. Directors shall disclose the fact of any relationship or interest in a contract or service to the Board of Directors or committee which authorizes, approves or ratifies the

contract or transaction. In taking on a contract the Board must determine that the contract or transaction is fair and reasonable to the Corporation. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors, or a committee, that authorizes, approves or ratifies such contract or transaction. It may be appropriate to entertain competitive bids to ensure there is no conflict. All contracts that engage a Board of Director in a financial capacity must be in a written document with a specified time and workprogram.

6.6 Loans to Directors: The Corporation shall not lend money or use its credit to assist its Directors or officers.

- 7. Liability of Directors for Wrongful Distribution of Assets:** In addition to any other liabilities imposed by law upon the Directors of the Corporation, the Directors who vote for or assent to any distribution of assets, other than in payment of its debts, when the Corporation is insolvent or when such distribution would render the Corporation insolvent, or during the liquidation of the Corporation without the payment and discharge of or making adequate provisions for all known debts, obligations and liabilities of the Corporation, shall be jointly and severally liable to the Corporation for the value of such assets which are thus distributed, to the extent that such debts, obligations and liabilities of the Corporation are not thereafter paid and discharged.

A Director shall not be liable under this section if, in the exercise of ordinary care, such Director relied and acted in good faith upon written financial statements of the Corporation represented to such Director to be correct by the President or by the officer of the Corporation having charge of its books of account, or certified by an independent licensed or certified public accountant or firm of such accountants to reflect fairly the financial condition of the Corporation, nor shall such Director be so liable if, in the exercise of ordinary care and good faith, in determining the amount available for such distribution, such Director considered the assets to be equal to their book value.

A Director shall not be liable under this section, if, in the exercise of ordinary care, such Director acted in good faith and in reliance upon the written opinion of an attorney for the Corporation.

8. Officers:

8.1 The officers of the Corporation shall consist of a President, Vice President, Secretary and Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers may be deemed necessary may be elected or appointed by the Board of Directors. Except for the President and as otherwise required by State Law, any two (2) or more offices may be held by the same person.

8.2 Election and Term of Office: The Directors of the Corporation shall be elected at the annual meeting of the Members, or via an annual electronic vote. The election of officers shall be held at the next meeting of the Board of Directors, or be officially postponed until an appropriate time. The term of office of all officers (President, Vice President, Secretary, Treasurer) of the Scarborough By Local shall be for two (2) years, two (2) terms maximum or until their successors have been elected. Any Director shall be eligible for election to any other office.

Re-affirmation by the Board is required for an officer or committee chair once any designated term limit has been met.

- 8.3 **Removal:** Any officer or agent may be removed for cause by the Board of Directors whenever in its judgment the best interests of the Corporation will be served.
- 8.4 **Vacancies:** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.
- 8.5 **President:** The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. The President shall, when present, preside at all meetings of the members of the Board of Directors. The President may sign with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, any promissory notes, deeds, mortgages, leases, contracts, or other instruments that the Board of Directors has authorized to be executed, except in the cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed. The President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.
- 8.6 **Vice President:** In the absence of the President or in the event of the President's death, inability or refusal to act, a Vice President may be selected to 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 and shall perform such other duties as from time to time may be assigned to the Vice President by the President or by the Board of Directors.
- 8.7 **Secretary:** The Secretary shall attend all meetings of the Board of Directors and shall prepare and maintain proper minutes of those meetings. The Secretary shall be the custodian of the official seal of the Corporation, if any, and shall affix that seal on all documents executed on behalf of the Corporation, pursuant to authorization by the Board of Directors. The Secretary shall have the custody of and properly protect all executed deeds, leases, agreements and other legal documents and records to which the Corporation is a party or by which it is legally affected. The Secretary shall in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or the Board of Directors. The Secretary will take the lead responsibility for maintaining files required by the State for the organization. This will include the database of membership, meeting minutes and voting records on items of importance to the organization.
- 8.8 **Treasurer:** The Treasurer shall be the principal financial officer of the Corporation and shall have charge and custody of and be responsible for all funds of the Corporation. The Treasurer shall sign all checks and promissory notes of the

Corporation and shall receive and give receipts for moneys due and payable to the Corporation from any source whatsoever and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors at a duly constituted meeting. The Treasurer shall keep or cause to be kept, adequate and correct accounts of the Corporation, including accounts of its assets, liabilities, receipts and disbursements. The Treasurer shall submit to the Board of Directors and the President, at least quarterly, or when required, statements of the financial affairs of the Corporation. The Treasurer shall in general perform all the financial duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of the Treasurer's duties in such sum and with such surety of sureties as the Board of Directors shall determine. The Treasurer will be required to file necessary annual tax reports and forms required.

8.9 Registered Agent: The Registered Agent, who may also be a member of the Board serving in that capacity, will be familiar with the State of Maine filing requirements for non-profit organizations and assure that the organization is in compliance with said requirements. The Registered Agent will also assure that the organization is current with annual filings and reports to the State.

8.10 Salaries: There will be no salaries for the officers or Board Members as presently agreed upon. Salaries for staff positions may be considered in the future from time to time by approved by the Board of Directors as needed for special activities of the organization.

9. **Staff:** The Board of Directors shall have the authority to employ an Executive Director and such other staff as the Corporation may reasonably require from time to time. The terms and conditions of employment of the staff shall be set forth in a written contract approved by the Board of Directors and signed by the Corporation and the staff person.

10. Miscellaneous

10.1 Indemnification of Officers, Directors, Employees and Agents: The Corporation may indemnify Directors, officers, employees and agents of the Corporation to the extent permitted by, and in accordance with the Articles of Incorporation. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability.

10.2 Books and Records: At its registered office or principal place of business, the Corporation shall keep: (i) correct and complete books and records of account; (ii) minutes of the proceedings of its members and Board of Directors; and (iii) a record

- of the names and addresses of all Members. Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.
- 10.3 **Loans:** No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors.
- 10.4 **Contracts:** The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation.
- 10.5 **Checks, Drafts, etc.:** All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation as provided in these Bylaws or in such manner as shall from time to time be determined by the Board of Directors. Routine items indicated in the annual budget shall be paid and signed by the Treasurer. All other payments or checks must be approved by the Board of Directors and signed by the Treasurer.
- 10.6 **Deposits:** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select. These funds should be insured to the extent possible.
- 10.7 **Gifts:** 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.
- 10.8 **Annual Financial Statements:** The officers of the Corporation shall cause a balance sheet as of the closing date of the last fiscal year, together with a statement of income and expenditures for the year ending on that date, to be prepared and presented to the Directors at each annual meeting of the Board of Directors. The Annual Financial Statements shall be available for inspection by members upon request and with reasonable notice.
- 10.9 **Fiscal Year:** The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year, except that the first fiscal year shall begin on the date of incorporation.
11. **Personal Liability:** The Directors and officers of the corporation shall not be personally liable for any debt, liability, or obligation of the corporation. All persons, corporations, or other entities extending credit to, contracting with, or having any claims against the corporation, may look only to the funds and property of the corporation for the payment of any such contract, or claim; or for the payment of any debt, damages, judgment, or decree; or for the payment of any money that may otherwise become due or payable to them from the corporation.
12. **Amendments:** These bylaws may be amended at any time by a vote of a majority of the Directors then in office, such vote to be preceded by at least three days advance notice.