

NORTH ANDOVER MERCHANTS ASSOCIATION

BYLAWS

Article I THE ENTITY

The entity shall be known as North Andover Merchants Associations and shall be referred to in these Bylaws as "NAMA"

Article II OFFICES

The principal office of the NAMA is located in North Andover, Massachusetts. NAMA may also have offices at other places as the Board of Directors may, from time to time, designate.

Article III NONPROFIT PURPOSES

SECTION 1. IRS Internal Revenue Code Section 501© (6) Purposes:

NAMA is organized exclusively for one or more of the purposes as specified in Section 501 © (6) of the Internal Revenue Code.

SECTION 2. Specific Objectives and Purposes:

The specific objectives and Purposes of NAMA shall be:

- A. To strengthen public understanding of the necessary contribution that small business investment and employment makes toward the health and viability of the community.
- B. To bring to the attention of its members and the general public, trends, conditions, opportunities and problems that may require community consideration.
- C. To help support the Town of North Andover and other community organizations and worthwhile civic projects and programs.
- D. To encourage public participation in all affairs civic.

Article IV DIRECTORS

SECTION 1. Powers:

The Board of Directors shall manage the activities, properties and affairs of NAMA. The Board of Directors may exercise all of the powers of NAMA, and delegate any and all such powers as it sees fit, subject to restriction imposed by the Articles of Organization, the Bylaws, and Non-Stock Corporation Act of the State of Massachusetts, Chapter 180 of the MA General Statues, and Section 501© (6) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future federal tax code).

SECTION 2. Number:

NAMA shall have not less than seven (7) directors. The maximum number of directors shall be eleven (11). They shall be known as the Board of Directors.

SECTION 3. Qualification:

Directors shall be of the age of majority in the Commonwealth of MA. Each director shall be a representative in good standing.

SECTION 4. Election and Term of Office:

Each Director will be elected by a simple majority vote based on a show of hands at either the Annual General Meeting (AGM) or at any Special Meeting (SM) convened for that purpose. A Director must receive at least five (5) member votes to be elected. Members may also nominate alternates to serve due to absence or resignation of that club's directors. Each Director's term of office shall not be less than one (1) year. There is no limit on the number of terms of office that a person may be elected to serve. Members may propose a new Director at the AGM. Where two Directors are proposed for a position, including a standing office holder and a proposed Director an election shall be held at the AGM and a simple majority shall determine the result.

SECTION 5. Duties:

It shall be the duty of the directors to:

- A. Perform any and all duties imposed on them collectively or individually by law, by the Articles of Organization, or these Bylaws;
- B. Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, in any, of all officers, agents and employees of NAMA;
- C. Supervise all officers, agents and employees of NAMA to assure that their duties are performed properly;
- D. Attend all meetings at such times and places as required by these Bylaws;
- E. Register their addresses (home, business and email) with the Secretary of NAMA, and notices of meetings mailed to them at such addresses shall be valid notices thereof.

SECTION 6. Vacancies and Elimination's:

- A. Vacancies on the Board of Directors shall be filled by the appropriate election conducted as soon as possible but not later than one year after the vacancy arises. Alternatively, directors may elect to not replace a director vacancy provided the minimum number of seven (7) directors is maintained.
- B. Directors may be removed from office, with or without cause, by a unanimous vote of the remaining directors.

- C. Upon termination of membership of NAMA as outlined in Article VI, Section 6. 'Termination and Transferability', the appropriate positions on the Board of Directors shall be eliminated.

SECTION 7. Compensation:

Directors shall serve without compensation for their services in such capacity but may be reimbursed by the NAMA for their reasonable expenses and disbursements on behalf of NAMA.

SECTION 8. Non-Liability of Directors:

The directors shall not be personally liable for the debts, liabilities, or other obligations of NAMA.

SECTION 9. Place of Meetings:

Meetings of the Board of Directors may be held within or out of the Commonwealth of Massachusetts and at such places as may be designated from time to time by resolution of the Board of Directors.

SECTION 10. Meetings and Notice:

Meetings of the Board of Directors shall be held at least twice per year at the discretion of the Board of Directors. Notice of any meeting of the Board of Directors shall be an announcement at the previous meeting.

SECTION 11. Quorum for Meetings:

Unless otherwise required by law, these Bylaws, or the Articles of Organization a quorum shall consist of a majority of the Board of Directors.

SECTION 12. Majority Action as Board Action:

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the Articles of Organization, these Bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board.

SECTION 13. Conflict of Interest:

NAMA has a Conflict of Interest Policy attached as Appendix A. This policy is designed to both to protect the interests of NAMA members and to adopt best practice as proposed by the IRS.

SECTION 14. Conduct of Meetings:

- A. Meetings of the Board of Directors shall be presided over by the President of NAMA or, in her or his absence, by the Vice President, or in the absence of both of these persons, by a chairperson chosen by a majority of the directors present at the meeting. The Secretary of NAMA shall act as a secretary of all meetings of the board, provided that in her or his absence, the presiding officer shall appoint another person to act as a secretary of the meeting.
- B. Copies of these Bylaws, and the latest annual financial statement must be available at each meeting.
- C. Directors and alternate directors may attend the Board of Directors meetings. Each director will have one (1) vote. If any alternate director will be voting in place of a director at any meeting, the Board must be notified at the commencement of that meeting.
- D. Minutes of the prior meeting must be distributed (if not already done), read, and approved as the first order of business of the meeting.
- E. The Board of Directors votes on all business as required by these Bylaws. Each director shall be entitled to one (1) vote at each meeting.

Article V OFFICERS

SECTION 1. Powers:

The Offices shall have general supervision of the affairs of NAMA to the extent not exercised by, or reserved by law to, the full Board of Directors.

SECTION 2. Designation and Minimum Number of Officers:

The officers of NAMA shall be the following at a minimum:

President

Vice President

Treasurer

Secretary

Board of Directors

SECTION 3. Qualifications:

Any person who is a member of NAMA and who has paid their membership fees, may serve as an officer of NAMA.

SECTION 4. Election and Term of Office:

- A. The election of officers will be conducted prior to 15th December of each year.
- B. Nominations will be held at the prior Board of Directors meeting. Announcements of the upcoming nominations will be made at the December Board of Directors meeting and included in writing in the meeting minutes.
- C. Officers shall be elected by the Board of Directors at the December Board of Directors meeting and at any time in the event of a vacancy. The election of officers shall be determined by a simple majority vote subject to the quorum requirements and with each member having only one (1) vote.
- D. Each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.
- E. The offices of President and Secretary cannot be held by the same person.

SECTION 5. Duties of the President:

The President shall be the Chief Executive Officer of NAMA and shall, subject to the control of the Board of Directors, supervise and control the affairs of NAMA and the activities of the Officers. The President approves schedules, membership, publicity, and conduct. The President shall preside at all meetings of the Board of Directors. The President shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Organization, or by these Bylaws, or which may be assigned from time to time by the Board of Directors.

SECTION 6. Duties of the Vice President:

If the office of the President becomes vacant, a Vice President shall perform the duties of the President. Where more than one Vice President exists a simple vote amount the Directors shall determine who shall stand-in for the President. The Vice President will work with other assigned Directors to set the schedule of all events, including entertainment, for the year and communicates these to the membership through emails, notice boards and NAMA website (if applicable). The Vice President retains final say on events and entertainment. The Vice President shall have other powers and perform such other duties as may be required by law, by the Articles of Organization, or by these Bylaws, or which may be assigned from time to time by the Board of Directors.

SECTION 7. Duties of the Secretary:

- I. Keep the minutes of all meetings of NAMA, and of the Board of Directors, and prepare them for distribution;
- II. Certify and keep the original, or a copy, of these Bylaws, the Articles of Organization, the IRS tax exempt documents, yearly financial statements, income tax filing documents, and

any other official Corporate documents, as amended or otherwise altered to date:

- III. Keep an accurate and up to date list of the names, addresses (business and home), and phone numbers of the Board of Directors and their member companies by a method approved by the Board of Directors,
- IV. Produce and file, timely and accurate reports in order to satisfy all state and federal filing requirements as would be expected of a tax-exempt nonprofit corporation;
- V. In general, perform all duties incident to the office of Vice President and such other duties may be required by law, by the Articles of Organization, or by these Bylaws, or which may be assigned from time to time by the Board of Directors.

SECTION 8. Duties of the Treasurer:

The Treasurer shall:

- A. Have charge and custody of, and be responsible for, all funds and securities of NAMA and deposit all such funds in the name of NAMA in such banks or other depositories as shall be selected by the Board of Directors;
- B. Receive, and give receipt for, moneys due and payable to NAMA from any source whatsoever;
- C. Disburse, or cause to be disbursed, the funds of NAMA as may be directed by the Board of Directors, taking proper vouchers for such disbursements;
- D. Keep and maintain and correct accounts of NAMA's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- E. Render the President and directors, whenever required by them, a full report of any or all of her or his transactions as Treasurer and of the financial condition of NAMA;
- F. Produce and file, timely and accurate financial reports in order to satisfy all state and federal financial filing requirements as would be expected to a tax-exempt nonprofit corporation.
- G. In general, perform all duties incident to the office of Treasurer and such other duties may be required by law, by the Articles of Organization, or by these Bylaws, or which may be assigned from time to time by the Board of Directors.
- H. Be responsible for assignation of NAMA assets.

SECTION 9. Resignation and Vacancies:

Any officer may resign at any time by giving written notice to the Board of Directors or to the President of NAMA. Any vacancy of any officer position shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of president, such a

vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy but an election shall be held no later than the next AGM.

SECTION 10. Compensation:

The officers of NAMA shall not receive salaries from NAMA for their services in such capacity.

SECTION 11. Non-Liability of Officers:

The offices shall not be personally liable for the debts, liabilities or other obligations of NAMA.

SECTION 12. Conflict of Interest:

Attached at Appendix A is NAMA's Conflict of Interest Policy. Each office bearer must sign a copy of this upon taking office.

Article VI MEMBERS

SECTION 1. Determination and Rights of Members:

NAMA shall be open to all citizens of the Town of North Andover. However, voting members shall only be businesses that do business in the Town of North Andover and (see Section 3 below) that have paid their annual membership fee for that specific year will have voting rights. Except as expressly provided in, or authorized by the Articles of Organization, the Bylaws of NAMA, or provisions of law, all members shall have the same rights, privileges, restrictions and conditions.

SECTION 2. Number of Members:

There is no limit on the number of members NAMA may admit.

SECTION 3. Qualification:

Membership is defined as a person or entity paying the annual dues to NAMA.

SECTION 4. Admission of Members:

Applicants shall be admitted to membership upon satisfying the above criteria and payment of the annual dues.

SECTION 5. Membership Dues:

- A. The following fee shall be charged for making application for membership of NAMA. Currently this is Fifty Dollars (\$50.00)
- B. Membership is renewable each year through payment of annual dues.

- C. The amount of annual membership dues will be determined annually by majority vote of the Board of Directors.

SECTION 6. Termination and Transferability of Memberships:

Membership of a member shall terminate upon the occurrence of any of the following events:

- A. Upon notice of termination delivered by the appropriate member of the Board of Directors, to the member, either verbal or written;
- B. Upon failure to renew membership by paying dues on or before their due date;

All rights of a member in NAMA cease on termination of membership as herein provided.

SECTION 7. Non-Liability of Members:

A member of NAMA is not, as such, personally liable for the debts, liabilities, or obligations of NAMA.

SECTION 8. Meetings of Members:

Due to the structure of the Board of Directors, all members are represented by the Board of Directors of NAMA as outlined in Article IV of these Bylaws. Due to this, a meeting of the Board of Directors shall be considered a meeting of the members of NAMA and will therefore not be addressed separately.

Article VII FINANCIAL POLICY

SECTION 1. Entertainment Expenses:

Expenses may not be incurred unless they are for the benefit of the general membership. The officers, directors, committees, or club groups may not be compensated by NAMA for meals, drinks, or entertainment in the course of their meetings.

SECTION 2. Receipts and Disbursements:

- A. The Treasurer will control all bank accounts. Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence or indebtedness of NAMA shall be signed by the Treasurer or President.
- B. All funds of NAMA shall be deposited from time to time to the credit of NAMA in such banks or other depositories as the Board of Directors may select.

- C. All receipt and disbursements must flow through the bank accounts. Each activity must present a summary of receipts and expenses to the Treasurer at the end of the activity. Losses on any activity must be approved by the President by initialing the final statement
- D. At the end of each fiscal year, the Treasurer will complete an annual financial report outlining income and expenses and distribute it to all members of the Board of Directors.

SECTION 3. Fiscal Period:

NAMA's fiscal year for financial reporting purposes will run 12 consecutive months and annually end on December 31st.

SECTION 4. Gifts:

The Board of Directors may accept on behalf of NAMA any contribution, gift, bequest, or device for the nonprofit purposes of NAMA.

SECTION 5. Indebtedness:

NAMA may not incur any debt greater than the cash assets of NAMA.

Article VIII AGENTS AND ATTORNEYS

The Board of Directors may appoint such agents and attorneys, with such powers and to perform such acts and duties on behalf of NAMA, as the Board of Directors may determine.

Article IX EXECUTION OF INSTRUMENTS

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of NAMA to enter into any contract or execute and deliver any instrument in the name of and on behalf of NAMA, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, employee, or director shall have any power or authority to bind by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Article X IRS INTERNAL REVENUE CODE 501 (c) (6) TAX EXEMPT PROVISIONS

SECTION 1. Limitations on Activities:

NAMA shall not discriminate against any person on the basis of race, color, sexual orientation, national or ethnic origin, or religion.

NAMA is primarily supported by membership dues and other income from activities substantially related to its exempt purpose.

Notwithstanding any other provision of these Bylaws, NAMA shall not carry on any activities not permitted to be carried on by NAMA exempt from federal income tax under Section 501(c) (6) of the Internal Revenue Code of 1986.

SECTION 2. Prohibition Against Private Inurement:

No part of the net earnings of NAMA shall inure to the benefit of, or be distributable to its members, directors, trustees, officers, or other private persons, except that NAMA shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purpose of NAMA.

SECTION 3. Distribution of Assets:

Upon the dissolution of NAMA, its assets remaining after payment or provision for payment, of all debts and liabilities of NAMA shall be expended in such a way as to provide a benefit that is available to all members.

Article XI INDEMNIFICATION

NAMA shall indemnify and hold harmless its directors, officers, employees, agents, and eligible outside parties to the fullest extent permissible under the relevant MA Act, the provisions of which are incorporated herein by reference. Notwithstanding the foregoing, NAMA may procure insurance providing greater indemnification and may share the premium cost with any member, director, officer, employee, agent or eligible outside party on any such basis as may be agreed upon.

Article XII AMENDMENT OF BYLAWS

SECTION 1. Notification:

Any member of the Board of Directors may propose a change to these Bylaws, or the Articles of Organization. Proposed changes must be published and distributed to the Board of Directors prior to the meeting.

SECTION 2. Voting:

- A. All amendments to these Bylaws shall be passed upon a majority vote of a quorum of the Board of Directors.
- B. All amendments to the Articles of Organization shall be passed upon by a two-thirds (2/3) vote of the entire Board of Directors of NAMA. The Articles of Organization shall not be amended, however, to permit NAMA to engage in any activity which would be inconsistent with its classification as an organization described in Internal Revenue Code Section 501(c) (6).

Article XIII

CONSTRUCITON AND TERMS

- A. NAMA's Rules and Regulations shall be deemed to be part of these Bylaws, and shall be modified and adhered to according to these Bylaws.
- B. If there is any conflict between the provisions of these Bylaws and the Articles of Organization, the provisions of the Articles of Organization shall govern.
- C. In all cases where specific interpretation of these Bylaws (or any part thereof) becomes questionable, or in specific cases of errors or omissions within these Bylaws, the spirit of the rules shall prevail.
- D. Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.
- E. All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

Appendix A

Conflict of Interest Policy

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing a member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the

member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.