

BYLAWS OF THE SMALL BUSINESS ADVOCACY COUNCIL

(As prepared and Approved by the SBAC Executive Committee on February 20, 2019)

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ARTICLE I Name

Section 1. The name of this organization will be the SMALL BUSINESS ADVOCACY COUNCIL (“SBAC”), hereinafter referred to as SBAC, or the corporation.

ARTICLE II Objectives

Section 1. To support and promote small businesses through MARKETING, advertising, and promotional activities within the meaning of Section 501(c)(6) of the Internal Revenue Code; to support and promote small businesses through referrals and providing the public with incentives for doing business with their members within the meaning of Section 501(c)(6) of the Internal Revenue Code; to support local non-profit corporations that educate and provide job training skills for small businesses within the meaning of Section 501(c)(6) of the Internal Revenue Code; and to support legislation and governmental action favorable to small business owners within the meaning of Section 501(c)(6) of the Internal Revenue Code.

Section 2. In addition, said corporation is organized as a business league. As defined under section 501(c)(6) of the Internal Revenue Code, a business league is an association of persons having a common business interest, whose purpose is to promote the common business interest and not to engage in a regular business of a kind ordinarily carried on for profit. Its activities are directed to the improvement of business conditions of one or more lines of business rather than the performance of particular services for individual persons.

Section 3. No part of the net earnings of the corporation shall inure to the benefit of, or be

distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above. Notwithstanding any other provision of these Bylaws, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Section 4. Notwithstanding any other provisions of these Bylaws, the corporation shall not conduct or carry on activities not permitted to be conducted or carried on by an corporation exempt under Section 501(c)(6) of the Internal Revenue Code as now stated, or as it may be hereafter amended.

Section 5. Upon the dissolution of the corporation, the Executive Committee shall, after making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner as the Board of Advisors shall determine. Such disposition of assets shall be made to such organization or organizations as shall at the time qualify as an exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, or to such organization or organizations as are exempt pursuant to Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law). Any such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE III Membership Categories and Requirements

Section 1. Membership in this corporation shall be open to all small business owners or operators, their employees or contractors, and those with whom they may conduct business. Membership is also open to anyone who has an interest in small business. The Executive Committee shall have the right to establish different membership classifications, stipulations, qualifications or application processes from time to time provided all such changes are approved by the Executive Committee.

Section 2. Applicants for Membership must agree to treat other SBAC members with respect, professional courtesy and in an ethical manner.

Section 3. In applying for Membership, Members will agree to uphold the policies of the SBAC, to accept the decisions of the Executive Committee, and to abide by their rulings in connection with the business of the SBAC, particularly as to their acts in advancing or disciplining members.

Section 4. SBAC will exercise effective disciplinary power over its Membership, including suspension or expulsion for cause(s) as determined and carried forth by the Executive Committee.

Section 5. This corporation does not and shall not discriminate on the basis of race, color, religion, sex, age, sexual orientation, creed, ancestry, pregnancy, marital status, parental status, national origin, or disability. No person will be denied membership or be discriminated against in any way because of the person's race, color, religion, sex, age, sexual orientation,

creed, ancestry, pregnancy, marital status, parental status, national origin, or disability,

ARTICLE IV Admissions Procedure

Section 1. Application information and materials of membership may be obtained from SBAC headquarters or viewed on the SBAC website.

Section 2. All applicants for membership will agree to an irrevocable waiver of any claim or action at law or in equity which might arise after applying for membership, against SBAC, its directors, officers, committee members or other officials, either as a group or as individuals, for any official act in connection with the business of SBAC and, in particular, those acts concerning admission to membership or failure to be admitted, or in disciplining the individual as a member.

Section 3. All applicants for membership will be admitted to the SBAC in accordance with procedures as approved by the Executive Committee.

ARTICLE V Termination of Membership, Resignations, Delinquencies & Reinstatements

Section 1. Any member of SBAC may be reprimanded, suspended or have his/her membership status terminated for sufficient cause by the Executive Committee in accordance with SBAC procedures.

Section 2. Sufficient cause is hereby declared to be any of the following:

1. Any conviction by a court of competent jurisdiction of insanity, incompetence, felony or fraud;
2. Violation(s) of the SBAC Bylaws or other established policies of SBAC of the SBAC that may be adopted from time to time by the Executive Committee;
3. Refusal or willful neglect to comply with any order or decision of the Executive Committee;
4. Any attempt to use an SBAC affinity program, or other SBAC event for personal gain.
5. Any attempt to host an event described as an SBAC event that has not been authorized and published by the SBAC
6. No longer meets the criteria for membership as set forth herein or in accordance with changes approved by the SBAC Executive Committee;
7. Nonpayment of applicable dues in accordance with SBAC Policy.

Section 3. It is additionally and specifically provided that no member acquires through its membership, or participation in a Committee, any inherent or inalienable right, prerogatives or tenure in SBAC, and any member whose professional or personal activities, conduct or deportment, inclusive or exclusive of the causes hereinabove specified, are considered by the Executive Committee to be prejudicial or inimical to the best interest of SBAC or its membership, may be disciplined, suspended or expelled by an affirmative vote of not less than sixty (60) percent of the Executive Committee members present at any regular or special Executive Committee meeting.

ARTICLE VI Dues

Section 1. Dues, fees or assessments for various categories or types of membership shall be in amounts established and approved by a majority vote of the Executive Committee in a quorum meeting.

Section 2. All membership dues will become payable periodically as provided for in SBAC policies. Failure to make such payments within sixty (60) *calendar* days from each such date due will subject member to suspension or termination from active SBAC membership unless such member has made payment arrangements that are satisfactory to the President or CEO of the SBAC.

ARTICLE VII Executive Committee, Officers and Administration

Section 1. The affairs of SBAC will be overseen by the Executive Committee. The members of the Executive Committee shall be Executive Officers of SBAC as follows:

- President (one)
- Vice President (one)
- Secretary (one)
- Treasurer (one)
- Members-at-large (up to ten)

All officers of the SBAC Executive Committee shall remain in their respective officer roles until such time as the Executive Committee moves to remove and replace them, or until such time as the respective officer tenders a resignation.

Section 2. The President will preside at all Executive Committee meetings and will oversee the affairs of SBAC in compliance with these Bylaws, and the policies established by the Executive Committee. The President will also oversee the leadership efforts of the SBAC CEO, and SBAC staff.

Section 3. The Vice President will serve as the Executive Committee Vice Chair and cooperate with and assist the President in the discharge of the President's duties. The Vice President will perform the duties of the President in the event of his/her temporary inability to discharge the powers and duties of his/her office and will assume the office of President in the event of the permanent inability of the President to serve. In the event that the Vice President permanently replaces the President, the Vice President will serve until replaced by an appointment by the Executive Committee. The Vice President will act as the representative of the President in such matters as may be assigned by the President.

Section 4. In the event the President, and the Vice President are not available, the CEO will preside over the Executive Committee meetings until the President, or Vice President are once again available or until a new President or Vice President is appointed by the Executive Committee.

Section 5. The Secretary will undertake all responsibilities as prescribed by law and such special assignments as may be delegated by the President. The Secretary will perform the duties of the Vice President in the event of his/her temporary inability to discharge the powers and duties of his/her office and will assume the office of Vice President in the event of the permanent inability of the Vice President to serve. In the event that the Secretary

permanently replaces the Vice President, the Secretary will serve until replaced by an appointment by the President.

Section 6. The Treasurer will ensure that the complete records of the organization are available to the individual or individuals preparing the annual financial statements; will work with the President and CEO to ensure that detailed financial reports are made available to the Executive Committee on a timely basis; and will assist the President and CEO in preparing and presenting the annual budget to the Executive Committee for approval.

Section 7. Executive Committee Members-at-large will undertake such special assignments as may be delegated or requested by the President. In the event a Member-at-large, due to extraordinary circumstances, such as death, disability, sanction, or inability or unwillingness to serve, cannot continue in their capacity as Member-at-large, then no succession or replacement is mandated, and the President may appoint an SBAC Board of Advisor member in good standing to serve as the replacement Member-at-large.

Section 8. A CEO may be hired by the President. The CEO will be the chief executive officer subject to the oversight of the Executive Committee. The CEO's compensation will be approved by the Executive Committee. The President will preside as the CEO and President, whenever there is a vacancy in the CEO role.

The CEO manages the overall business and operating affairs of the SBAC and provides a written report on the state of the SBAC affairs to the Executive Committee as requested by the President. The CEO must attend all Executive Committee meetings and provide all such information as the Executive Committee requests. In the event the CEO, due to extraordinary circumstances, such as death, disability, sanction, or inability or unwillingness to serve, cannot complete or fulfill their duties, the President shall serve as the acting CEO until such time as the President appoints a new CEO.

Section 9. The funds of the SBAC will be expended in accordance with a budget prepared by the Treasurer, President and CEO, and approved by the Executive Committee. In no event can any debt commitments be made by the SBAC unless reviewed and approved in advance by the President and the Treasurer.

Section 10. Pursuant to rules and procedures established by the Executive Committee, an Executive Officer may be removed from office by an affirmative vote of not less than sixty (60) percent of the Executive Committee members present at any regular or special Executive Committee meeting.

ARTICLE VIII Board of Advisors

Section 1. The duties of all Board of Advisor members include, but are not limited to, attending Board of Advisor meetings and other SBAC events, providing policy and operating guidance on a range of relevant SBAC affairs, recruiting SBAC members, positively promoting the SBAC including its mission, objectives, and events, and, other duties as defined by the Executive Committee. The Board of Advisors will consist of no more than 40 non-voting members and include:

1. All Members of the Executive Committee
2. Members-at-large, as proposed by the President and approved by the Executive Committee

Section 2. The SBAC President will appoint one or more Board of Advisor Chairs who will preside at all Board of Advisors meetings. Board Chairs may also assume duties, and responsibilities, as defined by the President from time to time, related to the advocacy and execution of SBAC business affairs.

Section 3. Board of Advisors members will serve in the capacity of a Board of Advisors until they resign, or until there is an affirmative vote of not less than sixty (60) percent of the Executive Committee members present at any regular or special Executive Committee meeting to remove the Board of Advisor member.

ARTICLE IX Election of Volunteer Executive Officers

Section 1. The SBAC President will be selected from the members of the Executive Committee and nominated and approved by a unanimous vote of the Executive Committee.

Section 2. The SBAC President will select the SBAC Executive Officers from the Board of Advisors. These will include a Vice President, a Secretary, and a Treasurer. In order to be eligible for any of the aforementioned Officer positions, the proposed candidate(s) must currently serve on the Board of Advisors. Additionally, the SBAC President shall appoint not more than ten (10) Executive Committee Members-at-large who must be current members of the Board of Advisors.

Section 3. The SBAC President will serve as Executive Committee Chair.

ARTICLE X Committees

Section 1. The President has the right to establish and disband committees as needed. The composition, purpose, and description of each Committee shall be approved by the Executive Committee, and each Committee shall have a Committee Chair assigned by the President. The President will serve as the Vice Chair of all Committees.

Section 2. The President has right to establish ad hoc committees, subcommittees and task forces as needed, and the President will serve as the Chair each group.

ARTICLE XI Meetings and Quorums

Section 1. Executive Committee Business Meeting will be held on the third Wednesday of each month, or on a date agreeable to a majority of the Executive Committee Members, in an accessible location selected by the President or CEO.

Section 2. Executive Committee Business Meeting will be open to all Executive Committee members in good standing.

Section 3. A quorum for the Executive Committee Business Meeting will consist of a majority of the Executive Committee members.

Section 4. Board of Advisor Meetings will be held on the fourth Wednesday of each quarter, or on a date agreeable to a majority of the Executive Committee Members, in an accessible location selected by the President or CEO.

Section 5. Board of Advisor Meetings will be open to all Executive Committee members in good standing.

Section 6. A quorum for any meeting of the Board of Advisors will consist of a majority of the total number of its members.

Section 7. A quorum for any of the aforementioned meetings may be achieved via any combination of in-person attendance, through proxy as provided for herein, or via live teleconference or similar medium. A proxy may be achieved in accordance with policies and procedures as set forth by the Executive Committee from time to time.

Section 8: Approval for all measures is established by majority vote unless specified herein.

Section 9: All meetings will be reasonably conducted according to the latest edition of Robert's Rules of Order.

ARTICLE XII Fiscal Years

Section 1. The fiscal year of SBAC will be from January 1 to December 31, inclusive.

ARTICLE XIII Governing Documents

Section 1. These Bylaws may be initially adopted or subsequently amended upon the recommendation of the President, and by an affirmative vote of not less than sixty (60) percent of the Executive Committee members present at any regular or special Executive Committee meeting, provided a minimum of 14 calendar days advance notice will have been given to all SBAC Executive Committee members of SBAC's intention to adopt or amend, together with a written copy of the substance of the proposed amendments before said adoption or amendments shall become effective and binding.

Section 2. Ministerial and other nominal changes to the Bylaws that do not in any way change the meaning or intent of the content herein shall be permitted to be made by the President only with the Executive Committee's prior notice and approval in each such instance.

Section 3. The current SBAC Bylaws shall be made available to all SBAC members in good standing at SBAC headquarters or via the SBAC website.

ARTICLE XIV Dissolution of the Corporation

Section 1. By an affirmative vote of not less than eighty (80) percent of the Executive Committee members present at any quorum Executive Committee meeting, and a majority vote of the Board of Advisors, the SBAC may elect to dissolve or merge with another organization. If the SBAC elects to merge with another organization, pertinent details that address the proposed financial and legal structure, the assumption of liabilities, the acquisition or disposition of assets, any intellectual property considerations, and other such relevant matters shall be provided to the Executive Committee and Board of Advisors at least 14 business days prior to the votes referenced above. If the SBAC elects to dissolve, the Executive Committee, and any other required professionals, will wind-up the organization, paying any outstanding debts from the assets of the SBAC. To the extent any sums remain

after the payment of all debts, they shall be held in escrow until such time as the Executive Committee unanimously agrees to donate them to a charitable 501(c) (3) organization. Any remaining debts that remain, after all SBAC assets are dissipated, will be the sole responsibility of the SBAC and any such debts shall not inure to members of the Executive Committee, Board of Advisors or any SBAC employees.

Section 2. No part of the net earnings of the corporation will inure to the benefit of, or be distributable to its members, trustees, directors, officers, or other private persons, except that the corporation will be authorized and empowered to reimburse for reasonable start-up costs, pay reasonable compensation for services rendered, and to make payments and distributions in furtherance of the purposes set forth herein. Notwithstanding any other provision of these articles, the corporation will not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501 of the Internal Revenue Code of 1954, as amended (or the corresponding provision of any further United States Internal Revenue Law).

Section 3. Upon the dissolution of the corporation, the Executive Committee will, after making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation, or to another organization or organizations organized and operated exclusively for tax exempt purposes.

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