

**BYLAWS OF
ASSOCIATION OF SMALL BUSINESS DEVELOPMENT CENTERS**

ARTICLE I
Name, Office, and Seal

Section 1.01. Name

The name of the organization is the Association of Small Business Development Centers, hereinafter, the "Association," a non-profit corporation incorporated in the State of Maine.

Section 1.02. Purpose

The purpose of the Association is to support its members in their efforts to assist the development of small business as an essential part of society in the United States.

ARTICLE II
Members

Section 2.01. Members

There shall be two classes of Membership of this Association; Common Voting Members, and Associate Members, who shall have no vote. Any reference in these Bylaws to "Members" or "Common Members" shall be construed to be to the Common Voting Members unless otherwise specified.

Section 2.02. Common Voting Members

Only Lead Small Business Development Centers that are host grantees as defined in Section (a)(1) of the Small Business Development Center Act of 1980 (15 U.S.C. §648(a)(1)) and in any regulations promulgated there under, as amended, are eligible for Common Voting Membership. Membership shall be automatically extended to the Lead Small Business Development Center in each state, region and territory or possession. Upon payment of dues assessed by the Association, membership shall be confirmed.

Section 2.03. Voting Rights

Each Common Member of the Association shall be entitled to cast one vote in any matter requiring a vote by the membership or in the election of Directors. Common Member votes shall be cast by the representative of each Common Member, or the alternate who will serve in the absence of the representative.

Section 2.04. Voting Representatives

The voting representative of each Common Member shall be the Recognized Director of the Lead Small Business Development Center. Conflicts concerning Voting representatives and alternates will be resolved by the Board of Directors.

Section 2.05. Associate Membership

Associate Membership in the Association may be held by any organization or individual who supports the concept of small business development centers, wishes to contribute to their success, and who has paid the dues assessed by the Association. Associate members are not voting members but are entitled to educational benefits provided to the Common Voting Members.

The application of prospective associate members located outside the borders of the United States will be reviewed and voted upon by the Board of Directors. The application of prospective associate members located within the borders of the U.S. and its territories must receive the concurrence of the Recognized Director of the Lead Small Business Development Center, within the respective state or territory where the applicant is resident, before application will be considered by the Board of Directors.

Section 2.06. Dues

Each Member shall be assessed annual dues. Common Member dues and Associate Member dues shall be determined by majority vote of the Common Members. Dues are billed prior to the beginning of the fiscal year and due within 180 days of the start of the fiscal year. Members may be terminated from membership for non payment of dues in accordance with procedures determined by the Board of Directors and approved by a majority of the members.

ARTICLE III Meetings of Members

Section 3.01. Annual Meetings of Members

The annual meeting of the Members of the Association shall be held each year at a time and place determined by the Board of Directors.

Section 3.02 Special Meetings of the Members

Special meetings of the Members of the Association may be called at any time by order of the Board of Directors, or by the Chairperson of the Board (who shall give written notice thereof to the President which shall be transmitted to the Membership), or by a petition signed by not less than fifty-one (51%) of the Members of the Association, setting forth the date on which such special meeting shall be held, and the general nature of the business

to be transacted at such meeting. The petition must be received at the principal offices of the Association and notice to the membership provided not less than thirty-five (35) days before the date specified in such petition for the calling of such special meeting.

Section 3.03. Notice of Meetings of the Members

Written notice of each meeting of the Members of the Association shall be given not less than thirty (30) days before the day on which such meeting is to be held, by mail, fax, e-mail, internet or such additional means as the Board shall deem effective. The notice shall state the place, day and hour of the meeting and, in the case of a special meeting, it shall also state the general nature of the business to be transacted and by whose request the meeting was called.

Section 3.04. Quorum

The presence at any meeting of Members of the Association constituting not less than two-thirds (2/3) of the Members of the Association shall be necessary and sufficient to constitute a quorum for the transaction of business. A quorum, once determined, shall continue so long as two-thirds (2/3) of the Members remain present in person or by proxy. In the case where there are less than the required number of members present to constitute a quorum, the presiding officer may adjourn the meeting from time to time until a quorum is present.

Section 3.05. Organization

At each meeting of the Members of the Association, the Chairperson of the Board or, in the case of his or her absence, the Vice-Chairperson, shall act as Chairperson thereof. The Secretary or, in the case of his or her absence, the person whom the chairman of the meeting shall appoint as Secretary of the meeting, shall act as such.

Section 3.06. Voting

Unless otherwise required by law, each authorized representative or alternate representative of each Common Member present shall be entitled to cast one (1) vote on any and all matters which shall come before any such meeting. At each meeting of the Members, all matters shall be decided by the affirmative vote of the majority of the representatives of the Common Members of the Association present at such meeting, except those matters otherwise expressly regulated by statute or by another specific section of the Bylaws. Voting by proxy shall be allowed in accordance with the provisions of these bylaws.

Section 3.07. Voting by Proxy

Any Common Member shall be entitled to vote at any meeting of the Members, either in person or by written proxy executed by the authorized representative of the Common Member, granting the proxy either to the alternate, the Secretary of the Association or to a

designated authorized representative of another Common Member. A proxy must be filed no later than the date of the meeting with the Secretary of the Association, provided that, if such Member attends personally the meeting for which the proxy is given, then the proxy vote shall be void. A proxy duly executed and filed shall expire at the end of the meeting for which it is given. No Common Member representative may hold more than three proxies.

Section 3.08. Action by Members without a Meeting

Any action which may be taken at a meeting of the Common Members may be taken without a meeting, if authorized in writing by all of the authorized representatives who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association.

ARTICLE IV Board of Directors

Section 4.01. Authority

- a. The governing body of the Association is the Board of Directors which has authority granted to it by the membership for the supervision, control, and direction of the Association.
- b. The power and authority for the election and removal of Directors, the establishment of the Association's mission, overall policies, strategic and operating plans and budget, and the amendment of the Articles of Incorporation and Bylaws are specifically reserved to the membership.

Section 4.02. Number of Directors

- a. The Board of Directors shall consist of nine (9) elected Directors, elected in the manner described herein.
- b. The Board of Directors shall also include the Chairperson of the Associate Directors' Working Group as an ex-officio, non-voting member of the Board; however, the Chairperson of the Associate Directors' Working Group may become a voting member of the Board if ratified by a vote of the representatives of the Common Members according to the manner described in Section 4.04 below.
- c. The Board of Directors shall include the President as an ex-officio, non-voting member of the Board.

Section 4.03. Election of Directors

- a. Directors of the Board of Directors, excluding the President and the Chairperson of the Associate Directors' Working Group, shall be elected at the annual meeting of the organization by a vote of the representatives of the Common Members eligible to vote, present and voting pursuant to the terms of these Bylaws. Each voting representative may cast one vote for each open Director position. The candidates receiving the most votes shall be elected to the open Director positions.
- b. At each annual meeting the number of Directors to be elected shall equal the number of seats on the Board which are or will be open.
- c. No less than ninety (90) days prior to each annual meeting, the Election Committee shall present at least one candidate for each open Director's position to the Secretary of the Association, or his or her designate. The Secretary shall submit the names of the candidates nominated by the Election Committee to the membership no less than forty-five (45) days prior to the annual meeting.
- d. A Common Member representative may nominate candidates for open Director positions by submitting a nomination in writing to the Secretary, provided such nomination has been seconded in writing by five (5) Common Member authorized representatives. The nominated candidate must be qualified for the office for which he or she is nominated as required by these bylaws. Such nomination must be submitted to the Secretary no less than twenty (20) days prior to the Annual Meeting of the Membership. The Secretary, upon determining that the candidate is qualified, shall submit the nomination or nominations to the membership no less than ten (10) days prior to the annual meeting.
- e. In no circumstances shall any Common Member or the Election Committee nominate an individual who is from the same Host Grantee as the Chairman of the Associate State Directors' Working Group who has been ratified as a member of the Board of Directors pursuant to Section 4.04.
- f. Nominated Candidates may provide information to the membership in accordance with procedures established by the Board of Directors.
- g. Directors shall be elected to serve two-year terms and their term of office shall begin upon the official adjournment *sine die* of the annual meeting at which they are elected and continue until the end of their term.

Section 4.04. Ratification of the Chairperson of the Associate Directors' Working Group

- a. The Associate Directors' Working Group members shall elect from among them one individual to serve as the committee's Chairperson.

1. The Chairperson of the Associate Directors' Working Group shall not be from the same Host Grantee as any of the members of the Board of Directors currently holding office at the time the Associate Directors' Working Group elects the Chairperson.
 2. Pursuant to the procedures specified in Section 4.04(c), below, the Chairperson of the Associate Directors' Working Group may not be from the same Host Grantee as any of the nominees standing for election to the Board of Directors pursuant to Section 4.03.
- b. The Chairperson of the Associate Directors' Working Group shall serve for a two-year term, except in the event of resignation, removal, death or incapacity. The term of office shall begin upon the official adjournment *sine die* of the annual meeting at which they are elected and continue until the end of their term.
 - c. In years in which a Chairperson has been elected, the Associate Directors' Working Group shall submit the name of its elected Chairperson to the Secretary prior to the annual meeting of the Members of the Association. The Secretary shall present the name of the Chairperson to the membership for a vote of ratification.
 1. If the Chairperson presented to the membership for ratification is from the same Host Grantee as any of the individuals standing for election pursuant to Section 4.03, the Associate Directors' Working Group shall submit one or more additional names of individuals selected by the Associate Directors' Working Group to serve as alternate(s). At least one such alternate shall not be from the same Host Grantee as any of the Directors currently on the Board of Directors or from the same Host Grantee as any of the Directors standing for election pursuant to Section 4.03
 2. The individuals shall be ranked according the number of votes they have received from the members of the Associate Directors' Working Group. After the members elect the Board of Directors pursuant to Section 4.03, the Secretary shall select the individual ranked highest by the members of the Associate Directors' Working Group who is not from the same Host Grantee as any of the Directors to stand for the vote of ratification pursuant to Section 4.04(d).
 - d. The representatives of the Common Members shall vote to ratify the Chairperson of the Associate Directors' Working Group as a voting member of the Board. Each voting representative shall cast one vote for or against the ratification of the Chairperson. In the event that he or she is ratified by a majority of the votes cast in present or by proxy, the Chairperson of the Associate Directors' Working Group shall serve as a voting member of the Board of Directors.

Section 4.05. Election Committee

The Election Committee will be comprised of three (3) members appointed by the Chairperson. The Election Committee shall present at least one candidate, who meets the

qualifications of these bylaws, for each open Director Position to the Secretary of the Association within the time designated in these bylaws.

Section 4.06. Eligibility

Only a duly authorized representative of a Common Voting Member in good standing shall be eligible for election to the Board of Directors. All members of the Board shall be no less than twenty-one (21) years of age.

Section 4.07. Election of Officers

Immediately following the election of the Board of Directors and the ratification of the Chairman of the Associate Directors' Working Group at the annual meeting of the Membership, the Board of Directors shall convene to elect officers of the Association pursuant to the following procedures:

- a. The President shall chair the meeting and preside over the election of a Chairperson. After the election of the Chairperson, and at all subsequent elections, the Chairperson shall preside over the meeting and shall solicit nominations from Directors, and shall conduct the election by secret ballot of the remaining officers of the Association in the following order:
 - (i) Vice-Chairperson
 - (ii) Secretary
 - (iii) Treasurer
- b. All officers of the Association, except the President, shall be elected for one (1) year terms.
- c. An officer may be removed at any time from office for cause, including continued gross or willful neglect of his or her duties, by the vote of a majority of all Directors.
- d. Vacancies shall be filled by the Chairperson subject to the approval of a majority of the Directors.
- e. No Director shall be eligible to hold the same office for more than two (2) consecutive terms.
- f. The term of office for the officers shall begin upon the official adjournment *sine die* of the annual meeting at which they are elected and continue until the end of their term.

Section 4.08. Resignation

Any member of the Board may resign at any time by delivering a written resignation to the Chairperson of the Board or the Secretary of the Association. The acceptance of any such

resignation, unless required by the terms thereof, shall not be necessary to make the same effective.

Section 4.09. Removal

- a. Any member of the Board, including the Chairperson of the Associate Directors' Working Group, may be removed at any time by the affirmative vote of two-thirds (2/3) of the total Members of the Association, at a duly called meeting of the Members. The notice of the meeting shall specify the proposed removal; further, the Board member shall have been given notice of the reason for the removal vote and provided with an opportunity to respond either in person or in writing.
- b. If for any reason the elected Chairperson of the Associate Directors' Working Group is no longer eligible to serve as a member of the Associate Directors' Working Group, he or she shall be removed from the position of Chairperson and shall no longer serve on the Board.

Section 4.10. Vacancies

- a. Whenever the number of elected Directors shall for any reason be less than the authorized number, the vacancy may be filled by a majority vote of the remaining voting Directors, and each such Director so appointed or designated shall hold office for the remainder of the term of the directorship so vacated, provided, however, that if such term exceeds one (1) year in length, a special election shall be held to fill the remaining balance of the term.
- b. Whenever the position of Chairperson of the Associate Directors' Working Group shall for any reason become vacant, the Associate Directors' Working Group may convene to elect a new Chairperson who is not from the same Host Grantee as any elected Director. The elected directors may then vote to accept, by majority vote, the Chairperson of the Associate Director's Working Group, as a voting Director. Such Chairperson Director so approved shall hold office for the remainder of the term of the directorship so vacated, provided, however, that if such term exceeds one (1) year in length, a special election shall be held to fill the remaining balance of the term in accordance with the procedures specified in Section 4.04.

Section 4.11. Meetings

Regular meetings of the Board of Directors shall be held at least quarterly. Special meetings shall be held at any time when called by order of the Chairperson of the Board or a majority of Directors.

Section 4.12. Notice of meetings

Notice of each meeting of the Board of Directors shall be mailed to each Director's residence or usual place of business, not less than ten (10) days before the day on which

the meeting is to be held. Each such notice shall state the general nature of the business to be transacted, the day, time and place of such meeting, and by whose request it was called. Notice of any meeting of the Board of Directors need not be given to any Director who shall waive such notice in writing, whether before or after such meeting, or if he or she shall be present at the meeting. Notice of all meetings of the Board of Directors, whether regular or special, shall be provided to the Members.

Section 4.13. Quorum

The presence of a simple majority of the voting Directors shall constitute a quorum. When a quorum is present, a majority of voting Directors is necessary to make a decision except where some other number is required by law or by these Bylaws.

Section 4.14. Organization

The Chairperson of the Board shall act as Chair at each meeting of the Board of Directors or, in case of his or her absence, the Vice-Chairperson shall so act. The Secretary, or a person so delegated by the Secretary, shall issue notices of all meetings, keep minutes of all meetings, have charge of the Association's books and seal, and make such reports and perform such other duties incident to the office in case of his or her absence. The Chairperson shall appoint a Secretary Pro Tempore to perform those duties as needed.

Section 4.15. Voting

At all meetings of the Board of Directors, except as otherwise expressly required by these bylaws, all matters shall be decided by the vote of a majority of the Directors present at the meeting.

Section 4.16. Voting on Spending of Long-Term Reserves

In accordance with policies and procedures that may be established from time to time by resolution of the Board of Directors, the Association shall maintain a Long-Term Reserve Fund (the "Fund"). The Association may only make expenditures or withdrawals of amounts from the Fund upon the approval of two-thirds of members of the Board of Directors.

Section 4.17. Annual Reports

The Board of Directors shall present at each annual meeting of the Members of the Association an annual report of the Association's activities during the preceding year.

Section 4.18. Action by Board of Directors without a Meeting

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the voting Directors shall individually or collectively consent in writing to the action. The written consent or consents shall be filed with the minutes of the

proceedings of the Board, and the action taken shall have the same force and effect as an action taken at a meeting of the Board of Directors.

ARTICLE V Committees

Section 5.01. Committees

The Board of Directors from time to time may establish such committees, boards and councils, including a Finance and Business Committee, and other committees as needed, which shall have such duties and the members of which shall hold office for such periods as the Board of Directors from time to time may determine.

Section 5.02. Term of Office

Each member of any committee established pursuant to the Bylaws shall serve until the next annual meeting of the Board of Directors or until a successor is appointed.

Section 5.03. Vacancies

Vacancies on committees shall be filled upon the recommendation of the President and the Chairperson of the Board of Directors, and approved by the Board of Directors.

Section 5.04. Notice of Meetings

Written notice of all committee meetings shall be given by the Committee Chairperson to the members thereof at least ten (10) days prior to such meeting. Each committee shall keep regular minutes of its proceedings, shall report briefly on its activities at each Board of Directors' meeting, and shall provide copies of minutes to the Association office.

Section 5.05. Accreditation Committee

The Association shall develop a small business development center accreditation program, administered by a duly authorized accreditation committee. The Accreditation Committee and its officers appointed under the by-laws in force September, 1998, shall continue in operation, and the rules regarding accreditation in effect at that time shall remain in effect until changed by vote of the common voting membership. Upon adoption of these by-laws, the Chairperson of the Accreditation Committee shall submit to the Board of Directors a list of members for approval. Upon approval by a majority of its members, the committee shall elect a chairperson and shall continue operating under the existing rules of accreditation until such time as the committee may present amended rules for adoption by the common voting membership.

Section 5.06. Associate Directors' Working Group

- a. The Associate Directors' Working Group shall be a standing committee of the Association consisting of individual associate directors (meaning those individuals employed by Common Voting Members at a level immediately below the level of Recognized Director of a Lead Small Business Development Center) of Common Voting Members who are appointed by the Board of Directors to serve on such committee, provided that each such individual must first have been approved to serve by the Recognized Director of the Lead Small Business Development Center which employs the individual.
- b. A Common Voting Member may have more than one (1) individual employed at a level immediately below the level of Recognized Director of a Lead Small Business Development Center. In such event the Board of Directors may appoint more than one (1) associate director from such Common Voting Member to serve on the Associate Directors' Working Group. However, only one (1) associate director from each Common Voting Member shall be entitled to vote on matters before the Associate Directors' Working Group. Each Common Voting Member represented by more than one (1) associate director on the Associate Directors' Working Group shall select one (1) individual associate director to serve as the voting representative.
- c. The Associate Directors' Working Group shall elect from among them one individual to serve as the committee's Chairperson; such individual shall serve on the Board of Directors in the manner provided for herein. The Chairperson may not be from the same Host Grantee as any elected Director. Further, in accordance with Section 4.04(c), if the Chairperson is from the same Host Grantee as any individual standing for election pursuant to Section 4.03, the Associate Directors' Working Group must submit one or more additional names of individuals selected by the Associate Directors' Working Group to serve as alternate(s).

ARTICLE VI Officers

Section 6.01. Titles and Qualifications

The officers of the Association shall include a Chairperson of the Board, a Vice-Chairperson of the Board, a President, a Secretary, and a Treasurer. Any qualified person may hold any two or more offices of the Association except those of Chairperson of the Board, President and Secretary.

Section 6.02. Election and Term of Office

Each officer, except for the President, shall be elected or appointed annually by the Directors at the annual meeting of Directors immediately following the annual meeting of Members. New offices may be created and filled at any meeting of the Board of Directors.

The term of office of each officer shall begin on the first day of the fiscal year after their election and each such officer shall hold office until the close of the fiscal year after the annual meeting of Directors next held after his or her election or appointment, and thereafter until his or her successor shall have been elected or appointed or until his or her death, resignation, or removal.

Section 6.03. Resignations

Any officer may resign at any time by delivering a written resignation to the Chairperson of the Board, the Executive Director or the Secretary. The acceptance of any such resignation, unless required by the terms thereof, shall not be necessary to make the same effective.

Section 6.04. Removal

An officer may be removed for adequate reason by a two-thirds vote of the Directors.

Section 6.05. Vacancies

Any vacancy in an office may be filled for the unexpired portion of the term by the Board of Directors. Vacancies in Committees may be filled by the recommendation of the Committee chairman and approval of a majority of the committee members.

Section 6.06. The Chairperson of the Board

The Chairperson of the Board shall preside at all meetings of the Board of Directors of the Association, and shall have such other powers and duties not inconsistent with these bylaws as may be assigned to him or her from time to time by the Board of Directors.

Section 6.07. The Vice-Chairperson of the Board

The Vice-Chairperson of the Board shall act in the absence of the Chairperson, and shall have such other powers and duties not inconsistent with these bylaws as may be assigned to him or her from time to time by the Board of Directors.

Section 6.08. The President

The President of the Association shall be the chief executive officer of the Association and shall assume such duties as may be assigned by the Board of Directors and the Chairperson, including those of assisting the Secretary and the Treasurer.

Section 6.09. The Secretary

The Secretary shall issue notices of all meetings, keep minutes of all meetings, have charge of the Council's books and seal, and makes such reports and perform such other duties as are incident to this office.

Section 6.10. Treasurer

The Treasurer shall provide for oversight of the financial policies and transactions of the Association as required. The Treasurer shall oversee the control and operating procedures of the Association consistent with accepted accounting practice and procedures. He/she shall receive statements and audit information from the Association staff, and shall be responsible with staff assistance for the presentation of the Association's operating budget to the Board of Directors, and shall make recommendations to the Board of Directors concerning dues and assessments of the membership. The Board of Directors may require the Treasurer to provide a bond in such sum and form and with such surety as the Board of Directors may determine. The cost of such bond shall be borne by the Association.

Section 6.11. Subordinate Officers

The Board of Directors from time to time may appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority and perform such duties as the Board of Directors from time to time may determine. The Board of Directors may delegate to any committee, officer, or agent the power to appoint any such subordinate officers or agents, and to prescribe their respective titles, terms of office, powers and duties.

Section 6.12. Records

Officers of the Association shall make available for inspection at reasonable times to any member of the Association and to the Board of Directors all official records of the Association for which they are responsible. Upon leaving office, each officer shall turn over to his successor in good order such monies, books, records, documents, and other property of the Association as have been in his or her custody during his or her term of office.

ARTICLE VII

Compensation of and Contracts with Directors and Officers

Section 7.01. Compensation

The Association may employ staff as needed, who will be compensated for their services and reimbursed for their reasonable expenses incurred in connection with the business of the Council in such amounts as the Board of Directors determines. Other officers will not receive compensation for their services as Directors, but may receive reimbursement for reasonable expenses incurred in connection with the business of the Association as determined by the Board of Directors.

Section 7.02. Contracts with Directors or Officers

No Directors or officers of the Association shall be interested, directly or indirectly, in any contract relating to the operations conducted by it, nor in any contract for furnishing services or supplies to it, unless: (a) such contract shall be authorized by an absolute majority of Directors present and voting at a meeting at which the presence of such Director is not necessary to constitute a quorum and the vote of such Director is not necessary for such authorization; and (b) the fact and nature of such interest shall have been fully disclosed or known to the members of the Board of Directors present at the meeting at which such contract is so authorized.

ARTICLE VIII
Indemnification of Directors and Officers

Section 8.01. Indemnification

Any person (and the heirs, executors and administrators of such person) made or threatened to be made a party to any action, suit or proceeding, by reason of the fact that he or she is or was a Director or officer of the Association, or a member acting on behalf of the Association shall be indemnified by the Association against any and all liability and the reasonable expenses, including attorney's fees and disbursements, incurred by him or her (or by his or her heirs, executors or administrators) in connection with the defense or settlement of such action, suit or proceeding, or in connection with any appearance therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director or officer is liable for negligence or misconduct in the performance of his or her duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director, officer, or member acting on behalf of the association (or such heirs, executors or administrators) may be entitled apart from this Article.

ARTICLE IX
Amendment of Bylaws

Section 9.01. Amendment of Bylaws

Except as otherwise provided herein, these bylaws may be amended or repealed and a new bylaw or new bylaws may be enacted upon a favorable vote of two-thirds (2/3) of the Members of the Association present at any meeting of the Members, the notice or waiver of notice of which shall have specified or summarized the changes proposed to be made, provided that a notice of the proposed amendment shall have been presented to every Member at least thirty (30) days prior to the meeting at which the proposed amendment or repeal is acted upon.

ARTICLE X
Miscellaneous

Section 10.01. Fiscal Year

The fiscal year of the Association shall begin on the first day of January and shall end on the last day of December in each year.

Section 10.02. Conduct of Meetings

The conduct of all meetings shall be according to Roberts Rules of Order and said Rules of Order shall be the final authority, unless otherwise provided in accordance with the bylaws.

With Revisions Approved by the Membership on September 13, 2009