

Heart of Ohio Business Association, Inc.

NON-PROFIT CORPORATE BYLAWS

ARTICLE I

NAME

1.01 Name

The name of this Corporation shall be Heart of Ohio Business Association, Inc. (the "Corporation").

ARTICLE II

PURPOSES AND POWERS

2.01 Purpose

The Corporation is a non-profit Corporation and shall be operated exclusively for charitable purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code.

The Corporation's primary purpose is to advance the commercial, professional, financial, agricultural, industrial, civic, and general interest of Centerburg, Ohio, and Hilliar Township, and to promote trade, industry, and public welfare in the community. The Corporation plans to pursue these purposes by:

- Seeking to develop a membership that is representative of Centerburg and surrounding areas;
- Informing the village council of the business communities' priorities and make recommendations on said priorities;
- Providing input on the efficiency and effectiveness of the village council's delivery of services;
- Hosting informational meetings and seminars to educate the business community so informed decisions can be made as to the quality of business provided;
- Providing an open process by which all members may involve themselves in the affairs of the community in which the Corporation does business;
- Cooperating with other local organizations on issues that might be of general concern to the Corporation for the community in general;
- Fostering a sense of community by hosting community events; and
- Developing a sense of personal pride and responsibility for the Centerburg community.

To maximize our impact on current efforts, we may seek to collaborate with other non-profit organizations which fall under the 501(c)(3) section of the internal revenue code and are operated exclusively for charitable purposes.

2.02 Powers

The Corporation shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to affect the charitable purposes, for which the Corporation is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes. The powers of the Corporation may include, but not be limited to, the acceptance of contributions from the public and private sectors, whether financial or in-kind contributions.

2.03 Nonprofit Status and Exempt Activities Limitation.

(a) Nonprofit Legal Status. The Corporation is an Ohio non-profit Corporation.

(b) Exempt Activities Limitation. Notwithstanding any other provision of these Bylaws, no director, officer, employee, member, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code as it now exists or may be amended, or by any organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as it now exists or may be amended. No part of the net earnings of the Corporation shall inure to the benefit or be distributable to any director, officer, member, or other private person, 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 in the Articles of Incorporation and these Bylaws.

(c) Distribution upon Dissolution. Upon termination or dissolution of the Corporation, any assets lawfully available for distribution shall be distributed to one (1) or more qualifying organizations described in Section 501(c)(3) of the 1986 Internal Revenue Code (or described in any corresponding provision of any successor statute) which organization or organizations have a charitable purpose which, at least generally, includes a purpose similar to the terminating or dissolving Corporation.

The organization to receive the assets of the Corporation hereunder shall be selected in the discretion of a majority of the managing body of the Corporation, and if its members cannot so agree, then the recipient organization shall be selected pursuant to a verified petition in equity filed in a court of proper jurisdiction against the Corporation, by one (1) or more of its managing body which verified petition shall contain such statements as reasonably indicate the applicability of this section. The court upon a finding that this section is applicable shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the State of Ohio.

In the event that the court shall find that this section is applicable but that there is no qualifying organization known to it which has a charitable purpose, which, at least generally, includes a

purpose similar to the Corporation, then the court shall direct the distribution of its assets lawfully available for distribution to the Treasurer of the State of Ohio to be added to the general fund.

ARTICLE III

MEMBERSHIP

3.01 Membership and Dues

Membership in the Corporation is open to anyone who currently owns or conducts an active, legally zoned, and permitted business within the Centerburg Area, as defined by the boundaries of the Centerburg Local School District lines and/or U.S. postal service boundaries of 43011 and 43048. Membership must be established by paying annual dues. Membership in the Corporation shall be terminated if a member ceases to operate or conduct a business in the Centerburg Area. Membership rosters of the Corporation shall not be used for any political, commercial, or any other activity not directly related to the Corporation. Annual dues are currently Fifty and 00/100 Dollars (\$50.00) per business. Initial dues shall be paid within thirty (30) days of enrollment. Invitations for membership renewal will be mailed to active members on December 1st and shall be paid within thirty (30) days. The board of directors shall review the amount of annual dues at the last meeting of every calendar year and may amend the amount of annual dues as the budget requires.

3.02 Meetings and Notifications

The Corporation will hold monthly meetings at a time to be determined. Date, time, and place of the next meeting shall be announced at the end of the current meeting. All meetings shall be open to all members, business owners, village council, local organizations, and media representatives in the Centerburg area (as defined above). Members shall approve Guest Speakers in advance. The Corporation reserves the right to hold closed meetings when approved by a majority vote of the members.

Special meetings may be called by the president, or any two-thirds (2/3) majority vote of the officers. In the case of a special meeting, a telephone notice of five business days will serve as sufficient notice to all members.

3.03 Voting Procedures

Each member is permitted one vote per business. (If the business has two representatives present, only one may vote.) A 2/3 majority vote by all members present is required for the Corporation to take official action and a 2/3 majority vote if all members to override a previous action. All voting must be recorded and exact results announced and posted in the minutes for the members to review. Only members are allowed to vote; however, anyone attending the meeting is eligible to be heard.

ARTICLE IV

OFFICERS

4.01 Officers

The officers of the Corporation shall be a president, vice-president, secretary, and treasurer, all of whom shall be chosen by, and serve at the pleasure of, the members. Each officer shall have the authority and shall perform the duties set forth in these Bylaws or by resolution of the members. All officers shall be elected to serve a three (3) year term, however the term may be extended until a successor has been elected. The terms are renewable, can be served consecutively, and there is no limit to the number of terms an officer can serve.

In order to be eligible to serve as an officer, the individual must be 18 years of age and an affiliate within affiliate classifications created by the members. Officers may be elected at any member meeting by the majority vote of the existing members. The election of officers to replace those who have fulfilled their term of office shall take place in January of each year.

4.02 Election Committee

An "Election Committee" of three (3) non-officers or running officers shall be appointed by the President sixty (60) days prior to election date. The Election Committee shall: produce numbered ballots, facilitate absentee ballots, distribute and collect and count returned ballots, announce names of new officers, and report to secretary official results of the election to report in minutes.

The board may also appoint additional vice-presidents and such other officers as it deems expedient for the proper conduct of the business of the Corporation, each of whom shall have such authority and shall perform such duties as the board of directors may determine. One person may hold two or more board offices, but no board officer may act in more than one capacity where action of two or more officers is required.

4.03 Removal, Resignation, and Vacancies

The members may remove an officer at any time, if the members deem it in the best interests of the Corporation. Removal requires a two thirds (2/3) majority vote by the members. Any officer may resign at any time by giving written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any resignation shall take effect at the date of the receipt of the notice or at any later time specified in the notice, unless otherwise specified in the notice. The acceptance of the resignation shall not be necessary to make it effective. If an officer has three (3) consecutive, unexcused absences from any meeting, this is considered a vacancy. Vacancies and resignation of officers can be filled by a majority vote of the remaining officers.

4.04 President

The president shall be the chief volunteer officer of the Corporation. The president shall lead the members in performing their duties and responsibilities, including, if present, presiding at all meetings members, and shall perform all other duties incident to the office or properly required by the members.

4.05 Vice President

In the absence or disability of the president, the ranking vice-president or vice-president designated by the members shall perform the duties of the president. When so acting, the vice-president shall have all the powers of and be subject to all the restrictions upon the president. The vice-president shall have such other powers and perform such other duties prescribed for them by the members or president. The vice-president shall normally accede to the office of president upon the completion of the president's term of office.

4.06 Secretary

The secretary shall keep or cause to be kept a book of minutes of all meetings and actions of members and committees of members. The minutes of each meeting shall state the time and place that it was held and such other information as shall be necessary to determine the actions taken and whether the meeting was held in accordance with the law and these Bylaws. The secretary shall cause notice to be given of all meetings of members and committees as required by the Bylaws. The secretary shall have such other powers and perform such other duties as may be prescribed by the members or the president. The secretary may appoint, with approval of the members, a member to assist in performance of all or part of the duties of the secretary.

4.07 Treasurer

The treasurer shall be the lead officer for oversight of the financial condition and affairs of the Corporation. The treasurer shall oversee and keep the members informed of the financial condition of the Corporation and of audit or financial review results. In conjunction with other members or officers, the treasurer shall oversee budget preparation and shall ensure that appropriate financial reports, including an account of major transactions and the financial condition of the Corporation, are made available to the members on a timely basis or as may be required by the members. The treasurer shall perform all duties properly required by the members or president. The treasurer may appoint, with approval of the members, a qualified fiscal agent or member of the staff to assist in performance of all or part of the duties of the treasurer.

4.08 Non-Director Officers

The members may designate additional officer positions of the Corporation and may appoint and assign duties to other non-member officers of the Corporation.

4.09 Compensation of Officers

Officers shall receive no compensation for carrying out their duties as officers. The members may adopt policies providing for reasonable reimbursement of officers for expenses incurred in conjunction with carrying out responsibilities, such as travel expenses to attend meetings.

4.10 Compensation for Professional Services by Officers

Officers are not restricted from being remunerated for professional services provided to the Corporation. Such remuneration shall be reasonable and fair to the Corporation and must be reviewed and approved in accordance with the Conflict of Interest policy and state law.

ARTICLE V

COMMITTEES

5.01 Committees

The members may, by the resolution adopted by a majority of the members, designate one or more committees, each consisting of one or more members, to serve at the pleasure of the members. Any committee, to the extent provided in the resolution of the members, shall have all the authority of the members, except that no committee, regardless of resolution, may:

- (a) take any final action on matters which also requires approval of a majority of all members;
- (b) fill vacancies of the officers;
- (c) amend or repeal Bylaws or adopt new Bylaws;
- (d) amend or repeal any resolution of the members which by its express terms is not so amendable or repealable;
- (e) appoint any other committees;
- (f) expend corporate funds to support a nominee for officer; or
- (g) approve any transaction;
- (i) to which the Corporation is a party and one or more officers have a material financial interest; or
- (ii) between the Corporation and one or more of its officers or between the Corporation or any person in which one or more of its officers have a material financial interest.

5.02 Meetings and Action of Committees

Meetings and action of the committees shall be governed by and held and taken in accordance with, the provisions of Article III of these Bylaws, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members, except that the time for regular meetings of committees may be determined either by resolution of the members or by resolution of the committee. Special meetings of the committee may also be called by resolution of the members. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The members may adopt rules for the governing of the committee not inconsistent with the provision of these Bylaws.

ARTICLE VI

CONTRACTS, CHECKS, LOANS, INDEMNIFICATION AND RELATED MATTERS

6.01 Contracts and other Writings

Except as otherwise provided by resolution of the members, all contracts, deeds, leases, mortgages, grants, and other agreements of the Corporation shall be executed on its behalf by the treasurer or other persons to whom the Corporation has delegated authority to execute such documents in accordance with policies approved by the members.

6.02 Checks, Drafts

All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the members.

6.03 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 depository as the members or a designated committee may select.

6.04 Loans

No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the members. Such authority may be general or confined to specific instances.

6.05 Indemnification

(a) Mandatory Indemnification. The Corporation shall indemnify an officer, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was an officer of the Corporation against reasonable expenses incurred by him or her in connection with the proceedings.

(b) Permissible Indemnification. The Corporation shall indemnify a director or former officer made a party to a proceeding because he or she is or was an officer of the Corporation, against liability incurred in the proceeding, if the determination to indemnify him or her has been made in the manner prescribed by the law and payment has been authorized in the manner prescribed by law.

(c) Advance for Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the members in the specific case, upon receipt of (I) a written affirmation from the officer, employee or agent of his or her good faith belief that he or she is entitled to indemnification as authorized in this article, and (II) an undertaking by or on behalf of the officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation in these Bylaws.

(d) Indemnification of Officers, Agents and Employees. An officer of the Corporation who is not an officer is entitled to mandatory indemnification under this article to the same extent as an officer. The Corporation may also indemnify and advance expenses to an employee or agent of the Corporation who is not an officer, consistent with Ohio Law and public policy, provided that such indemnification, and the scope of such indemnification, is set forth by the general or specific action of the board or by contract.

ARTICLE VII

MISCELLANEOUS

7.01 Books and Records

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of all meetings of its members, a record of all actions taken by officers without a meeting, and a record of all actions taken by committees. In addition, the Corporation shall keep a copy of the Corporation's Articles of Incorporation and Bylaws as amended to date.

7.02 Fiscal Year

The fiscal year of the Corporation shall be from January 1 to December 31 of each year.

7.03 Nondiscrimination Policy

The officers, committee members, employees, and persons served by this Corporation shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, national origin, and sexual orientation. It is the policy of the Corporation not to discriminate on the basis of race, creed, ancestry, marital status, gender, sexual orientation, age, physical disability, veteran's status, political service or affiliation, color, religion, or national origin.

7.04 Bylaw Amendment

These Bylaws may be amended, altered, repealed, or restated by a vote of the majority of the members at a meeting, provided, however,

(a) that no amendment shall be made to these Bylaws which would cause the Corporation to cease to qualify as an exempt Corporation under Section 501 (c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code; and,

(b) that an amendment does not affect the voting rights of members. An amendment that does affect the voting rights of members further requires ratification by a two-thirds vote of a quorum of officers at a meetings.

(c) that all amendments be consistent with the Articles of Incorporation.

ARTICLE VIII

CONFLICT OF INTEREST POLICY

8.01 Purpose.

The purpose of this conflict of interest policy is to protect the interest of the Corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable organizations. It is not the intent of this policy to prohibit the Corporation from dealing with officers; however, when dealing with such persons, special care shall be taken to ensure both the substance and appearance of fairness in all such dealings.

8.02 Definitions.

- a. Interested Person: Any officer, or member of a committee with governing delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

- b. **Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
- An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
 - A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
 - A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

8.03 Procedures

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 officers and any members of committees with governing 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 meeting or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining officers or committee members shall decide if a conflict exists.
3. **Procedure to Address the Conflict of Interest:**
 - a. An interested person may make a presentation at the meeting 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 officers 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 officers or committee shall determine whether the Corporation 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 the circumstances not producing a conflict of interest, the officers or committee shall determine by a majority vote of the disinterested officers whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable, and whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy:

- a. If the officers or committee has reasonable cause to believe a member has failed to disclose actual or possible conflict of interest, it shall inform the member of the basis for such belief and afford the member and/or officer an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the officer and/or member's response and after making further investigation as warranted by the circumstances, the officers or committee determines the officer and/or member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

8.04 Records of Proceedings

The minutes of the meetings and all committees with delegated governing powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the officer's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were presents for discussions and votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

8.05 Compensation

A voting member or member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. No voting member or any committee member whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

8.06 Annual Statements

Each officer and member of a committee with governing delegated powers shall annually sign a statement that affirms that such person:

- a. Has received a copy of the Conflicts of Interest Policy;
- b. Has read and understand the Policy;
- c. Has agreed to comply with the policy; and
- d. Understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption, must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

8.07 Periodic Reviews

To ensure that the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining;
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurnment, impermissible private benefit, or in an excess benefit transaction.

8.08 Use of Outside Experts

When conducting the periodic reviews as provided for in Article VIII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE IX

AMENDMENT OF ARTICLES OF INCORPORATION

9.01 Amendment

Any amendment to the Articles of Incorporation may be adopted by approval of two-thirds (2/3) of the members.

CERTIFICATE OF ADOPTION OF BYLAWS

I do hereby certify that the above stated Bylaws of Heart of Ohio Business Association, Inc., were approved by Heart of Ohio Business Association, Inc.'s, board of directors on _____, 2021 and constitute a complete copy of the Bylaws of the Corporation.

_____, President

_____, Secretary

Date: _____

Date: _____