

SAMPLE CODE OF REGULATIONS FOR LOCAL PROGRAM

{NOTE: The following sample Code of Regulations are to be used as a reference only. Variances in the structure of the local Main Street program, in the desired tax or tax-exempt status of the program and state and local law may dictate that modifications in the Code of Regulations be made.}

CODE OF REGULATIONS of The {community} Main Street Program

A {state} non-profit corporation

ARTICLE 1 **Name and Principal Office of Corporation**

Section 1. The name of this corporation shall be the {community} Main Street Program (hereinafter referred to as "the Program"). The principal offices shall be determined from time to time by the Board of Directors of the Program.

ARTICLE 2 **Purpose**

Section 1. The purposes for which this corporation is organized are to stimulate downtown economic development in {community} through organization (encouraging cooperation and building leadership in the business community); promotion (creating a positive image for downtown by promoting the downtown as an exciting place to live, shop and invest); design (improving the appearance of the downtown); and economic restructuring (strengthening and expanding the economic base of the downtown); and to receive, administer, and distribute funds in connection with any activities related to the above purposes; provided, however, that the Program shall only engage in activities that are in the purview of Section 501(c)(3) of the Internal Revenue Code of 1954 or corresponding sections of any prior or future law. No part of the net earnings of the Program shall inure to the benefit of any of its members or any other individual; and the Program shall not participate in, or intervene in, any political campaign on behalf of any candidate for public office.

Section 2. It is the intent of the Program to qualify as a non-profit, tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code of 1954, as now or hereafter amended. In order to effectuate such intent, no part of the net earnings of the Program shall inure to the benefit of any of its members or any other individual; and the Program shall not participate in, or intervene in, any political campaign on behalf of any candidate for public office.

Section 3. Upon dissolution of the corporation, the residual assets of the corporation shall be distributed to a private, non-profit corporation which is an exempt organization as described in Section 501(c)(3) of the Internal Revenue Code of 1954 or corresponding sections of any prior or future law, selection of which corporation may be designated prior to dissolution.

ARTICLE 3 **Program Area**

Section 1. The Program Area shall be that geographic area indicated on the attached map {Exhibit A}.

ARTICLE 4 **Membership**

Section 1. The classes of members of the Program shall be determined by the Board:

Section 2. The Board of Directors shall establish annual dues as it deems appropriate. Such establishment of dues shall include method of payment and application procedure.

Section 3. Any business, organization or individual interested in supporting the purposes of the Program may become a member by filing an application in such form as the Board of Directors shall prescribe, and subject to the payment of such dues as the Board of Directors may establish. Each active member shall be entitled to one vote.

Section 4. Any member may resign from membership in the Program upon giving written notice thereof to the Secretary of the Program. Such resignation shall specify the reason thereof and the effective date thereof. Members who resign from membership shall not be entitled to any refund of dues heretofore paid.

Section 5. The Board of Directors may, at its discretion, suspend the voting privilege of any member who has been and remains in default of his or her financial obligations to the Program for a period of six (6) months or longer.

ARTICLE 5 **Membership Meetings**

Section 1. An annual meeting of the membership shall be held in each calendar year at such time and place as may be determined by the Board of Directors for the purposes of electing officers and directors and transacting such other business as may be properly brought before the meeting.

Section 2. Special meetings for the membership shall be held at any time and place as may be designated in the notice of said meeting, upon call of the President or the

Board of Directors either at their own request or upon written petition by at least ten active members.

Section 3. Written notice of every meeting of the membership, stating the place, date and hour of the meeting, shall be given either personally or by mail to each member not less than fifteen nor more than fifty days before the date of the meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail with postage thereon prepaid, addressed to the members at their addresses as they appear on the Program's record of membership. Attendance of a member at a membership meeting shall constitute a waiver of notice of such meeting, or manner in which it has been called or convened, except when a member attends a meeting solely for the purpose of stating, at the beginning of the meeting, any such objection to the transaction of any business. Other interested parties shall be given such notice of meetings as the Board of Directors shall deem appropriate.

Section 4. Ten percent (10%) of the active members, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the membership, except as otherwise provided by statute, by Articles of Incorporation, or by these Code of Regulations. If a quorum is not present or represented at any meeting of the membership, a majority of the members entitled to vote therein, present in person may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each member.

Section 5. When a quorum is present or represented by proxy at any meeting the vote of a majority of the active members present in person or represented by proxy shall decide any questions brought before such meetings, unless the Articles of Incorporation or these Code of Regulations require a different vote, in which case such express provisions shall govern and control the decision.

Section 6. Roberts Rules of Order Newly Revised shall govern the parliamentary procedures of the Program when not in conflict with these Code of Regulations. The order of business may be altered or suspended at any meeting by a majority vote of the active members present.

ARTICLE 6 Board of Directors

Section 1. The Program shall be governed by a Board of nine (9) Directors elected by the members eligible to vote. The term of office for each Director shall be three (3) years, except that the term of office for the members of the first Board of Directors shall be as follows:

- a) Three shall be elected for one year;
- b) Three shall be elected for two years;
- c) Three shall be elected for three years.

Thereafter, three of the Directors shall be elected at each annual meeting of the members. Nominations to the Board shall be made by the Nominations Committee appointed by the Board and shall be set forth in the notice of the annual meeting. Each Director shall hold office for the term for which he or she is elected and until his or her successor shall have been elected and qualified. Directors in office may be reelected for one consecutive term, except that the Immediate Past President's term as a member of the Board of Directors shall commence at the normal termination date of his or her term as President and shall continue to the next annual meeting of the membership thereafter.

Section 2. Any vacancy occurring in the Board of Directors (other than a vacancy resulting, from the normal expiration of a term of office) may be filled by the affirmative vote of a majority of the current members of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. Any Director may resign by submitting written notice of resignation to the Secretary. Any Director may be removed from office at any time with or without cause by the affirmative vote of two-thirds of the Directors in office. Any member of the Board of Directors who is absent from two consecutive regular meetings without just cause for such absence may be removed as a member of the Board of Directors.

Section 3. The Project manager of the Program shall be a non-voting member of the Board of Directors and shall be present at all meetings of the Board of Directors.

Section 4. The Board of Directors of the Program may hold regular and special meetings. Regular meetings shall be held not less than six times each year. Special meetings of the Board may be called by the President, or by the Executive Committee, or by four or more Directors. Written notice of the time, place, and agenda for both regular and special meetings shall be given to each Director either by personal delivery or by mail, phone, or fax at least five (5) days before the meeting.

Section 5. At all meetings of the Board, a majority of the voting members thereof shall constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of the Board, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 6. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if all members of the Board consent thereto in writing, setting forth the action so taken, and the writing or writings are filed with the minutes of the proceedings. Such consent shall have the same force and effect as a unanimous vote of the Board.

Section 7. All new members of the Board of Directors shall participate in an orientation program familiarizing them with the goals and objectives of the Program and with their responsibilities.

ARTICLE 7

Committees

Section 1. This Program shall have at least five (5) standing committees, which shall be entitled Promotion, Design, Economic Restructuring, Nominations, and Membership Development. The Promotion, Design and Economic Restructuring committees shall consist of not less than five (5) members each, and shall have as chairperson a member of the Board of Directors of the Program who shall be responsible for directing and coordinating the affairs of the committee. The Nominations and Membership Development committees shall consist of not less than three (3) members each, and shall have as chairperson a member of the Board of Directors of the Program who shall be responsible for directing and coordinating the affairs of the committee. The terms of the committees shall be for one year commencing at the time of the annual membership meeting.

Section 2. The Board of Directors, by resolution adopted by a majority of Directors in office, may designate or appoint one or more committees, in addition to the above-named standing committees, including, without limitation, an Executive Committee, each of which shall consist of one or more Directors, and which shall, to the extent provided in said resolution, have and exercise the authority of the Board of Directors in the management of the Program. Other committees not having and exercising the authority of the Board of Directors in the management of the Program may be designated and appointed by a resolution adopted by a majority of the Directors appointed by a meeting at which a quorum is present. The designation and appointment of any such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon them by law.

ARTICLE 8 Officers

Section 1. The officers of the Program shall be elected annually by the membership and shall consist of a President, a Vice-President, a Secretary, a Treasurer, and such other officers and assistant officers as may be deemed necessary.

Section 2. Officers shall be elected at the annual meeting of the membership. The person then serving as President shall automatically become Immediate Past-President upon election of a new President. All officers shall be elected by a majority of the eligible voting members present in person.

Section 3. Except as hereinafter provided, the officers of the Program shall each have such powers and duties as generally pertains to their respective offices, as well as those that from time to time may be conferred by the membership or the Board of Directors.

A) President. The President shall preside at all business meetings, but may at his or her discretion or at the suggestion of the Directors arrange for another officer to preside at

other meetings. The President, shall perform such duties as are usually incumbent upon that officer and such as may be directed by resolution of the Board of Directors.

- B) Vice-President. The Vice-President shall have such duties and responsibilities as the President or Board of Directors may from time to time prescribe.
- C) Secretary. The Secretary shall record and maintain in good order Minutes of all meetings and all records and correspondence of the Program, and shall mail copies of the Minutes of each membership meeting to all members within 60 days from the conclusion of each meeting. The Secretary shall also have such other duties as may be assigned by the Board of Directors.
- D) Treasurer. The Treasurer shall maintain in good order all financial records of the Program. The Treasurer shall also have such other duties as may be assigned by the Board of Directors.
- E) Immediate Past-President. The Immediate Past-President shall serve as an ex-officio member of the Board of Directors and shall act in an advisory capacity to the President and to the Board of Directors.
- F) Temporary Officers. In case of the absence or disability of any officer of the Program and of any person authorized to act in his or her place during such periods of absence or disability, the President may from time to time delegate the powers and duties of such officer to any other officer or any other member.

ARTICLE 9 **Project Manager**

Section 1. The project manager of the Program shall manage the daily operations of the Program. The project manager shall be responsible for coordinating the implementation of the Program's policies and projects and such other duties as the Board of Directors may require. The project manager shall receive for his or her services such compensation as may be determined by the Board of Directors.

ARTICLE 10 **Board of Advisors**

Section 1. The Program shall be advised by a Board of fifteen (15) to twenty-five (25) Advisors elected by the members eligible to vote. The term of office for each Advisor shall be three (3) years, except that the term of office for the members of the first Board of Advisors shall be as follows:

- a) One-third shall be elected for one year;
- b) One-third shall be elected for two years;
- c) One-third shall be elected for three years.

Thereafter, one-third of the Advisors shall be elected at each annual meeting of the members. Nominations to the Board of Advisors shall be made by the Nominations Committee appointed by the Board of Directors and shall be set forth in the notice of the annual meeting. Each Advisor shall hold office for the term for which he or she is elected and until his or her successor shall have been elected and qualified. Advisors in office may be reelected for consecutive terms.

Section 2. Any vacancy occurring in the Board of Advisors (other than a vacancy resulting from the normal expiration of a term of office) may be filled by the affirmative vote of a majority of the current members of the Board of Directors. An Advisor elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. Any Advisor may resign by submitting written notice of resignation to the Secretary of the Program. Any Advisor may be removed from office at any time with or without cause by the affirmative vote of two-thirds of the Advisors in office.

Section 3. At its first meeting following the annual meeting, the Board of Advisors shall elect a Chairperson who shall preside at all meetings of the Board of Advisors and who shall have such other powers and duties as may be conferred by the membership or the Board of Directors. The Chairperson may at his or her Discretion or at the suggestion of the Advisors and who shall have such other powers and duties as may be conferred by the membership or the Board of Directors. The Chairperson may at his or her discretion or at the suggestion of the Advisors arrange for another Advisor to preside at certain meetings.

Section 4. Members of the Board of Directors and the project manager of the Program shall be entitled to attend all meetings of the Board of Advisors.

Section 5. The Board of Advisors of the Program may hold special meetings. Special meetings of the Board of Advisors may be called by the Chairperson of the Board of Advisors, by the President of the Program, or by five or more Advisors. Written notice of the time, place, and agenda for both regular and special meetings shall be given to each Advisor either by personal delivery or by mail, phone, or fax at least five (5) days before the meeting.

Section 6. At all meetings of the Board of Advisors, one-third of the voting members thereof shall constitute a quorum for the transaction of business. If a quorum shall not be present at any meeting of the Board, the Advisors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 7. The Board of Advisors shall assist the Board of Directors in the development of an annual work plan for the Program, providing advice to the Board of Directors and the project manager, and shall provide ongoing advice and counsel throughout the year to the Board of Directors and the project manager as requested by the Board of Directors and the project manager.

Section 8. All new members of the Board of Advisors shall participate in an orientation program familiarizing them with the goals and objectives of the Program and with their responsibilities.

ARTICLE 11 **Finances**

Section 1. Except as the Board of Directors may generally or in particular cases authorize the execution thereof in some other matter, all checks, drafts, and other instruments for the payment of money and all instruments of transfer of securities shall be signed in the name and on behalf of the Program by the project manager and/or Treasurer.

Section 2. All funds of the Program shall be deposited from time to time to the credit of the Program in such banks, trust companies or other depositories as the Board of Directors may select.

Section 3. The Board of Directors may accept on behalf of the Program any contributions, gift, bequest, or device for the general purposes or for any special purpose of the Program.

Section 4. Within 30 days of the election of the Board of Directors each year, the Board shall approve a Program budget for the fiscal year. The approved budget may be reviewed and revised periodically as deemed necessary by the Board.

ARTICLE 12 **General Provisions**

Section 1. The fiscal year of the Program shall begin on the January 1st and end on December 31st of each year.

Section 2. The corporate seal shall have inscribed thereon the name of the Program and the words "Corporate Seal" and "{state}." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise shown. In the event it is inconvenient to use such a seal at any time, the signature of the Program followed by the word "Seal" enclosed in parenthesis shall be deemed the seal of the Program.

Section 3. Not later than three months after the close of each fiscal year, the Program shall prepare:

- A. A balance sheet showing in reasonable detail the financial condition of the Program at the close of the fiscal year;
- B. A statement of the source and application of funds showing the results of the operation of the Program during the fiscal year.

ARTICLE 13
Amendments

Section 1. The Board of Directors shall have the power to alter, amend or repeal the Code of Regulations or adopt new Code of Regulations by a two-thirds vote of the Directors present at any duly called meeting of the Board, provided that no such action shall be taken if it would in any way adversely affect the Program's qualifications under Section 501(c)(3) of the Internal Revenue Code of 1954 or corresponding sections of any prior or future law.