

BYLAWS
OF
SOUTH PORTLAND BUSINESS ASSOCIATION
ARTICLE I – DEFINITIONS

Section 1 – Association

“Association” shall mean South Portland Business Association, an Oregon nonprofit corporation, organized and existing under the laws of the State of Oregon.

Section 2 – Articles of Incorporation

“Articles of Incorporation” shall mean the Articles of Incorporation of the Association, and all amendments thereof.

Section 3 – Member

“Member” shall mean a person or business which has been accepted by the Board of Directors of the Association for membership and remains as a Member in good standing.

Section 4 – Goals and Objectives

The goals and objectives of the Association are to promote an active and ambitious program of economic development which will assure future growth and prosperity within the Association boundaries, and to advance the commercial, economic, financial, industrial, and civic interest within those boundaries. The Board of Directors or the Members of the Association may adopt additional and more specific goals and objectives from time to time.

Section 5 – Association Boundaries

The boundaries of the Association shall be Interstate Highway 405 on the north, the Sellwood Bridge on the south, Barbur Boulevard on the West, and Willamette River on the east. The Board of Directors shall be authorized to expand or otherwise change the boundaries of the Association.

Section 6 – Dues

The Board of Directors shall be authorized to establish and collect annual dues and other amounts from Active and Associate Members in amounts which are determined by the Board of Directors. Members who have not paid their dues or other amounts within ninety (90) calendar days of the date when due shall be deemed to have resigned their membership. The Board of Directors, in its discretion, on a case by case basis, shall be authorized to extend the time period for the payment of dues or other amounts for individual Members in special circumstances. All dues and other amounts owing to the Association shall be paid within the time established by the Board of Directors.

ARTICLE II – MEMBERSHIP

Section 1 – Acceptance of Members

To accept a proposed Member, the Board of Directors must be satisfied that the individual or entity is financially responsible, will comply with all Bylaws, rules, and regulations, will work to fulfill the goals and objectives established for the Association by its Board of Directors and members, and will not be disruptive to the other Members or the Association's operations or activities.

Section 2 – Membership Classifications and Rights.

There shall be the following three (3) classifications of memberships:

(a) Active Member. Shall be a lawfully existing and operating business having an interest in the goals and objectives of the Association. The Member shall designate one person, subject to the approval of that person by the Board of Directors, who shall exercise the voting and other rights of the Active Member, and that person may hold elective office. The Board of Directors or the Active Member may terminate the participation of that person at any time with or without cause. In that event, the person terminated shall be deemed to have resigned all elected and other positions held with the Association, and the Active Member's voting and other rights. The replacement person shall not hold any elected or other position held by his or her predecessor without a separate election or appointment. Active Members shall be required to pay dues and other amounts designated by the Board of Directors.

(b) Associate Member. Shall be a private individual not associated with any business who has an interest in the goals and objectives of the Association who has been approved by the Board of Directors. Associate Members shall not have voting rights and may not hold elective office. Associate Members shall be required to pay dues and other amounts designated by the Board of Directors.

(c) Honorary Member. Shall be designated by the Board of Directors, in its discretion, in recognition of contributions made in support of the Association. Honorary Members shall have the same rights, privileges, and obligations as Reciprocal Members, except that there shall be no limit on the number of Honorary Members.

Section 3 – Membership List

The Association shall maintain at the principal office of the Association, a membership list showing the name, address, and membership status of each Member.

Section 4 – Membership Termination and Other Actions

The membership rights of nonvoting Members such as Associate and Honorary Members, as well as the rights of persons designated by Active Members to exercise their voting and other rights, may be permanently, temporarily, or partially terminated, and other sanctions may be imposed by the Board of Directors, at any time without advance notice, with or without cause, if the Board of Directors concludes that such action will serve the best interests of the Association.

Any Active Member or Associate Member may be expelled, terminated, or suspended, in addition to other sanctions which may be imposed by the Board of Directors, for failure to comply with these Bylaws, failure to comply with any rules or regulations which the Board of Directors may adopt from time to time, or any other reason which, in the sole judgment of the Board of Directors, serves the best interest of the Association. The Board of Directors from time to time may adopt procedures for taking such actions. Sanctions which may be undertaken by the Board of Directors shall include, without limitation, expulsion, termination, suspension, fines, restriction on attendance at Association meetings or functions, and restrictions of voting rights. An Active or Associate Member may be expelled, terminated, or suspended as a Member of the Association only by a vote of a majority of the members of the Board of Directors who are present at any meeting of the Board of Directors. Written notice of a proposed action to expel, terminate, or suspend a Member shall be provided to the affected Member by first class or certified mail to the last address of the affected Member shown on the Association's records, not less than fifteen (15) calendar days prior to the date of the meeting of the Board of Directors at which the proposed recommendation is to be considered. Such notice must state that expulsion, termination, or suspension is proposed to take place and must designate the date, time, and place for the meeting. The affected Member shall be granted an opportunity to be heard orally or in writing by the Board of Directors not less than five (5) calendar days prior to the effective date of the expulsion, suspension, or termination. The hearing, in the discretion of the Board of Directors, may be conducted by the Board of Directors or by a person or persons designated by the Board of Directors who shall be authorized to decide the proposed expulsion, termination, or suspension. As provided above in these Bylaws, the failure of a Member to pay dues or other amounts owing to the Association on or before the date when due shall constitute resignation by that Member from the Association and no such notice or right to be heard shall be applicable to that action.

ARTICLE III – MEETINGS AND VOTING

Section 1 – Place of Meetings

Meetings of the voting Members of the Association shall be held at a place which is reasonably convenient to the Members as determined by the Board of Directors. The

dates, times, and locations of meetings shall be designated by the Board of Directors from time to time. It is contemplated that regular meetings of the Members may take place during each year and one annual meeting of the voting Members will take place each year.

Section 2 – Annual Meeting

The annual meeting of the voting Members for the election of Directors and for the transaction of such other business as may properly come before the meeting shall be held at such hour, day, and location in the months of April, May, or June, each year as may be prescribed by the Board of Directors and specified in the notice of the meeting.

Section 3 – Special Meetings

Special meetings of the voting Members of the Association may be called at any time by the President, or by a majority of the members of the Board of Directors. A special meeting also shall be called within sixty (60) calendar days after receipt by the Board of Directors of a written request from ten (10) or more voting Members stating the purpose for the meeting.

Section 4 – Notice of Meetings

(a) Written or printed notice stating the location, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to all voting Members not less than thirty (30) or more than sixty (60) days before the date of all regular, special, and annual meetings, either personally or by mail, by or at the direction of the President, the Secretary, or the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage fully prepaid thereon, addressed to the Member at the Member's most recent address as it appears on the records of the Association.

(b) When a meeting is adjourned for thirty (30) days or more, or when a redetermination of the persons entitled to receive notice of the adjourned meeting is required by law, notice of the adjourned meeting shall be given in the same manner as for an original meeting. In all other cases, no notice of the adjournment or of the business to be transacted at the adjourned meeting need be given other than by announcement at the meeting at which such adjournment is taken.

Section 5 – Quorum

At any meeting of the Members of the Association, the voting Members present, in person, or by proxy, shall constitute a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a Member or Members.

Section 6 – Voting Rights

Only current, paid-up, Active Members of the Association in good standing shall be entitled to vote.

Section 7 – Proxies

Every Member entitled to vote or to execute any waiver or consent may do so either in person or by written proxy duly executed and filed with the Secretary of the Association. No proxy shall be valid after the meeting for which it was solicited unless otherwise expressly stated in the proxy.

Section 8 – Majority Vote

The vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the Members, unless a greater proportion is required by law, by the Articles of Incorporation or by these Bylaws.

ARTICLE IV – DIRECTORS: MANAGEMENT

Section 1 – Number and Qualification

The affairs of the Association shall be governed by a Board of Directors composed of not less than six (6) and not more than twelve (12) persons, as designated by the Board of Directors or the Members, from time to time. Persons eligible to serve on the Board of Directors are those who have been Members for at least one year and who are either voting Members or persons properly exercising the voting and other rights of voting Members who are current with all dues and assessments of the Association and in good standing.

Section 2 – Election and Tenure of Office

At the annual meeting of the Association, the voting Members shall vote to fill the vacant positions for Directors based upon the number of Directors designated as described above. Each Director shall be elected to serve for a term which begins immediately and ends at the date of the annual meeting of the voting Members which takes place at or near the end of that Director's third year of office. However, if he or she is elected to fill an unexpired term, the service of that Director will end at the end of the unexpired term.

Persons elected to serve as Directors prior to the adoption of these Bylaws shall continue to serve. The balance of their terms will be adjusted by the Board of Directors upon adoption of these Bylaws with the objective of leaving approximately an equal number of Directors whose terms will expire at each of the next three annual meetings of the Members. All additional Board of Directors positions, when created, will be given one, two, or three year initial terms by the Board of Directors in order to create approximately equal staggered terms of office in the future. Officers elected by the Members prior to the adoption of these Bylaws shall continue in their officer positions

subject to the terms of the Bylaws, but will not be members of the Board of Directors unless their previous terms as elected Directors have not expired.

Each Director shall hold office until the end of his or her term, or at an earlier date if the Director resigns, dies, or is removed.

Election shall be by ballot. In the discretion of the Board of Directors, elections may be by one ballot and those receiving the most votes will fill the vacant positions, or there may be separate balloting and election for each vacant position. No Directors may be elected for more than three (3) consecutive three (3) year terms.

Section 3 – Vacancies

(a) A vacancy on the Board of Directors shall exist upon the death, resignation, or removal of any Director, or if the authorized number of Directors shall be increased, or if the Members fail at any annual or special meeting of Members at which any Director or Directors are to be elected to elect the full authorized number of Directors to be voted for at that meeting.

(b) Vacancies in the Board of Directors may be filled by a majority of the remaining Directors even though less than a quorum, or by a sole remaining Director. However, in the discretion of the Board of Directors, vacancies may be filled by the voting Members. Each Director so elected shall hold office for the balance of the unexpired term for that Director position.

Section 4 – Removal of Directors

Upon any termination or suspension of a Member, all persons designated by that Member to represent that Member who have been elected or appointed to any Director, officer, or other position with the Association shall be deemed to have resigned all such positions. Upon any failure of any Director to attend three (3) consecutive Board Meetings, that Director shall be deemed to have resigned as a Director. The remaining Directors may elect to accept or not accept such resignation in their sole discretion based upon the circumstances associated with the absences. All or any number of the Directors may be removed, with or without cause, at a meeting of Members called expressly for that purpose, by a vote of a majority of votes cast at that meeting.

Section 5 – Powers

The Board of Directors shall exercise for the Association all powers, duties, and authority vested in or delegated to the Association, except those reserved to the Members in the Articles of Incorporation or these Bylaws.

The Board of Directors shall have the exclusive right to assess dues, fees, fines, and special assessments, for the common good of the Association. The Board of Directors shall contract for all goods and services to maintain, repair, or replace such items needed of the good of the Association.

The Board of Directors from time to time may adopt rules and regulations which may govern the conduct of Members, activities inside and outside the Association, and the rights and obligations of Members. Such rules and regulations shall have the effect of being part of these Bylaws immediately upon adoption.

Section 6 – Managing Agent or Manager

On behalf of the Association, the Board of Directors may employ or contract for a managing agent or a manager at a compensation to be established by the Board of Directors. The Board of Directors may delegate to the managing agent or manager such duties and powers and such position titles as are appropriate to the office.

Section 7 – Meetings

(a) Meetings of the Board of Directors shall be held at such place as may be designated from time to time by the Board of Directors or other persons calling the meeting.

(b) Organizational meetings of the Board of Directors shall be held without notice immediately following the adjournment of the annual meetings of the Members or with notice within ten (10) days following the adjournment of the annual meeting.

(c) Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President or any two (2) Directors.

Section 8 – Notice of Special Meetings

(a) Notice of the time and place of special meetings shall be given orally or delivered in writing personally or by mail or telegram at least five (5) calendar days before the meeting. Notice shall be sufficient if actually received at the required time or sent by facsimile, email, or regular U.S. Mail not less than five (5) calendar days before the meeting. Notice shall be directed to the address or number shown on the corporate records or to the Director's actual address ascertained by the person giving the notice.

(b) Notice of the time and place of holding an adjourned meeting need not be given if such time and place is fixed at the meeting adjourned.

(c) Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 9 – Quorum and Vote

(a) A majority of the Directors shall constitute a quorum for the transaction of business. A minority of the Directors, in the absence of a quorum, may adjourn from time to time but may not transact any business.

(b) The action of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors unless a greater number is required by law, the Articles of Incorporation, or these Bylaws.

Section 10 – Compensation

No Director shall receive any compensation from the Association for acting as such.

ARTICLE V – OFFICERS

Section 1 – Designation and Qualification

The officers of the Association shall include a President and a Secretary, and also may include one or more Vice Presidents and a Treasurer. All officers must be a voting Member of the Association for at least one year prior to commencement of service as an officer. An officer need not be a member of the Board of Directors. In the discretion of the Board of Directors, more than one person may hold the same officer position, but only if the duties and responsibilities of each person is defined by the Board of Directors.

Section 2 – Election and Vacancies

The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board, to serve for one (1) year or until their respective successors are elected. A person shall not be permitted to serve in the same officer position for more than three (3) consecutive terms. If any office shall become vacant by reason of death, resignation, removal, disqualification, or any other cause, the Board of Directors may elect a successor to fill the unexpired term at any meeting of the Board of Directors.

Section 3 – Removal and Resignation

(a) Any officer may be removed upon the affirmative vote of a majority of the Directors whenever, in their judgment, the best interests of the Association will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed.

(b) Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Association. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified therein or herein, the acceptance of such resignation shall not be necessary to make it effective, provided that the Board of Directors may reject any post-dated resignation by notice in writing to the resigning officer. The effectiveness of such resignation shall not prejudice the contract rights, if any, of the Association against the officer so resigning.

Section 4 – President

The President shall be chief executive officer of the Association and shall, subject to restrictions imposed from time to time by the Board of Directors, have general supervision, direction, and control of the business and affairs of the Association. The President shall preside at all meetings of the Members and of the Board of Directors. The President shall be ex officio a Member of all the standing committees including the executive committee, if any; shall have the general powers and duties of management usually vested in the office of President of a nonprofit corporation; and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 5 – Vice President

The Vice President shall perform such duties as the Board of Directors shall prescribe. In the absence or disability of the President, the President's duties and powers shall be performed and exercised by the Vice-President.

Section 6 – Secretary

(a) The Secretary shall keep or cause to be kept a book of minutes of all meetings of Directors and Members showing the time and place of the meeting, whether it was regular or special, and if special, how authorized, the notice given, the names of those present at Directors' meetings, the number of Members present or represented at Members' meetings and the proceedings thereof.

(b) The Secretary shall give or cause to be given such notice of the meetings of the Members and of the Board of Directors as is required by these Bylaws or by law. The Secretary shall keep the seal of the Association, if any, and affix it to all documents requiring a seal, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

Section 7 – Treasurer

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, and disbursements. The books of accounts at all reasonable times shall be open for inspection by any Director. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and Directors, whenever they request it, an account of all of the Treasurer's transactions as Treasurer and of the financial condition to the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of these Bylaws. The Board of Directors may restrict or expand the above powers and duties from time to time.

Section 8 – Compensation of Officers

No officer shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the Members.

Section 9 – Parliamentarian

A Parliamentarian may be appointed by the President or the Board of Directors, who may or may not be a Member of the Association. Duties of the Parliamentarian will be to advise the Board of Directors at all special and general meetings.

ARTICLE VI – RECORDS AND REPORTS

Section 1 – Records

The Association shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its Members, Board of Directors, and committees having any of the authority of the Board of Directors.

Section 2 – Certification and Inspection of Bylaws and Rules

The original or a copy of the Bylaws and any rules adopted by the Board of Directors and any amendments thereto, certified by the Secretary, shall be open to inspection by the Members and Directors in the manner and to the extent required by law.

Section 3 – Checks, Drafts, etc.

All checks, drafts, and other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.

Section 4 – Execution of Documents

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

Section 5 – Reports and Audits

An annual report of the receipts and expenditures of the Association shall be rendered by the Board of Directors to all Members at the annual meeting of the Members. From time to time, the Board of Directors, at the expense of the Association,

may obtain an audit of the books and records pertaining to the Association and furnish copies thereof to the Members. At any time, any Member may, at his or her own expense, cause an audit or inspection to be made of the books and records of the Association.

ARTICLE VII – GENERAL PROVISIONS

Section 1 – Seal

The Board of Directors may, by resolution, adopt a corporate seal.

Section 2 – Notice

All notices to the Association or to the Board of Directors shall be sent care of the managing agent, or if there is no managing agent, to the principal office of the association or to such other address as the Board of Directors may designate from time to time. All notices to Members shall be sent to such address as may have been designated by the Member from time to time in writing to the Board of Directors, or in the absence of same to such Member's last known address.

Section 3 – Waiver of Notice

Whenever any notice to any Member or Director is required by law, the Articles of Incorporation, or these Bylaws, a waiver of notice in writing signed at any time by the person entitled to notice shall be equivalent to the giving of notice.

Section 4 – Action Without Meeting

Any action which the law, the Articles of Incorporation, or the Bylaws require or permit the Members or Directors to take at any meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Members or Directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Members or Directors, shall be filed in the records of minutes of the Association.

Section 5 – Conflicts

These Bylaws are intended to comply with the Oregon Nonprofit Corporation Act and the Articles of Incorporation. In the case of any irreconcilable conflict, such statute and Articles of Incorporation shall control over these Bylaws.

Section 6 – Committees

The Association shall have an executive Committee which consists of all officers of the Association and shall be chaired by the President, a Nominating Committee which consists of a minimum of four members of the Board of Directors and the President and shall be chaired by the President, an Audit Committee consisting of and chaired by persons designated by the Board of Directors, and such other standing or ad hoc committees which the Board of Directors or the President may establish from time to time. Committees shall have such authority and duties as the Board of Directors may establish from time to time.

Section 7 – Finance

The Board of Directors shall designate the fiscal year of the Association, shall adopt each year an annual budget covering all activities of the Association, and shall require that an accounting system be maintained in accordance with generally accepted accounting principles. A financial report of the Association's financial activity in the preceding year shall be provided to the voting Members each year.

ARTICLE VIII – AMENDMENTS TO BYLAWS

Section 1 – How Proposed

Amendments to these Bylaws shall be proposed by either a majority of the Board of Directors or by Members holding one-fourth (1/4) of the votes of the membership. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon.

Section 2 – Adoption

Amendments and other changes to these Bylaws shall be adopted only at any annual meeting of the Members, or at any special meeting of the Members called for that purpose. In order for amendments to be considered or voted upon at any meeting, copies of all proposed amendments must be mailed to all Members not less than thirty (30) calendar days prior to the meeting. Amendments are deemed adopted if approved by a majority of all Members eligible to vote in person or by proxy at the meeting.

Section 3 – Recording

Once adopted, such amendments shall be copied in the appropriate place of the book of minutes of the Association containing the original Bylaws. If all or any portion of these Bylaws are repealed, the fact of such repeal and the date on which the repeal occurred shall be stated in such book and place.

The undersigned officer hereby certifies that the foregoing Bylaws have been adopted as the Bylaws of the Association, in accordance with the requirements or Oregon corporation law, on _____, 2011.

Dated: _____

Secretary