

BY-LAWS
Of
Falmouth Public Library Support Fund, Inc.
as adopted December 30, 2013

ARTICLE I

General Provisions

Section 1. Name. The name of this Corporation shall be the Falmouth Public Library Support Fund, Inc.

Section 2. Location. The principal office of the Corporation shall initially be located at the place set forth in the Articles of Organization of the Corporation. The Directors may establish other offices and places of business in Massachusetts or elsewhere.

Section 3. Fiscal Year. Except as from time to time otherwise determined by the Directors, the fiscal year of the Corporation shall end on the 31st day of December each year.

Section 4. No Members. The Corporation shall have no members. No person now or hereafter designated by the Corporation as a “member” for any purpose shall be or be deemed to be a member for the purposes of the Articles of Organization or By-Laws of the Corporation or for purposes of Massachusetts General Laws Chapter 180, as amended, or any other law, rule or regulation. Any action or vote otherwise required or permitted by Chapter 180 or any other law, rule or regulation to be taken by the members shall be taken by action or vote of the same percentage of the Directors of the Corporation.

Article II

Directors

Section 1. Powers. The business and property of the Corporation shall be managed by a Board of Directors who may exercise all the powers of the Corporation.

Section 2. Election and Number. The Board of Directors shall be of such number, no less than three (3) nor more than twelve (12), as the Directors shall determine from time to time. A majority of the Directors then in office shall elect officers at the annual meeting of the Directors or a special meeting in lieu of an annual meeting. All Directors shall hold office until the next annual meeting or special meeting in lieu of an annual meeting or until their respective successors are chosen and qualified. Any vacancy in the Board may be filled by the Directors. At least two (2) Directors shall be Trustees of the Falmouth Public Library.

Section 3. Resignation and Removal. Any Director may resign by delivering a written resignation to the Corporation at its principal office or to the President or Clerk. Such resignation shall become effective upon receipt unless it is specified to be effective at some later time. Any Director may be removed from office with or without cause by the affirmative vote of a majority of the Directors then in office.

Section 4. Annual Meeting. The annual meeting of the Directors of the Corporation shall be held on the 2nd Tuesday of June in each year (or the next business day if that day is a legal holiday) at such time and place as the Directors may determine. If the annual meeting is not held on such date, a special meeting in lieu of the annual meeting may be held with all force and effect of an annual meeting. Notice of the annual meeting setting forth the date, time, and place of any such meeting shall be mailed to all Directors not less than seven (7) days prior to the date of the annual meeting. Notice of any special meeting shall be given as directed under Section 6 of these By-Laws.

Section 5. Regular Meetings. Regular meetings of the Directors may be held without call or notice at such places and times as the Directors may from time to time determine, provided that any Director who is absent when such determination is made shall be given notice thereof.

Section 6. Special Meetings. Special meetings of the Directors may be held at any time and place determined in a call by the President, the Treasurer or two or more Directors. Notice of all special meetings of the Directors shall be given to each Director by the Clerk or, in the case of death, absence, incapacity or refusal of the Clerk, by the officer or one of the Directors calling the meeting. Such notice shall be given to each Director in person or by telephone, email or electronic facsimile transmission sent to each Director's business or home address at least twenty-four (24) hours in advance of the meeting. Except as required by law, notice of a special meeting need not be given: (i) to any Director who, either before or after the meeting delivers a written waiver of notice, executed by the Director, which is filed with the records of the meeting; or (ii) to any Director who attends the meeting and who, either prior to the meeting or at its commencement, fails to protest the lack of such notice. A notice or waiver of notice need not specify the purpose of a special meeting unless such a purpose is the removal of a Director or an officer.

Section 7. Quorum: Action at Meetings. A majority of the Directors then in office shall constitute a quorum but a lesser number may without further notice adjourn the meeting to another time. At any meeting at which a quorum is present, the vote of a majority of those present shall decide any matter unless the Articles of Organization, these By-Laws, or any applicable law requires a different vote.

Section 8. Action by Consent. Any action by the Directors or any committee may be taken without a meeting if a written consent thereto is signed by all Directors or all the members of the applicable committee and filed with the records of the meetings of the Directors. Such consent shall be treated for all purposes as a vote at a meeting.

Section 9. Non-Voting Directors. The Directors may create classes of non-voting directorship such as honorary directors, associate directors, regional directors, friends, and the like, and may elect persons to those classes for such terms and on such conditions as the Directors determine and may assign such persons such responsibilities, duties and privileges as the Directors determine. Persons elected as non-voting Directors shall not be Directors for the purposes of these By-Laws and shall have no votes at any meetings of the Directors.

Section 10. Committees. The Directors may elect from their own number an Executive Committee, and may elect such other committees as they may from time to time determine necessary or advisable, including without limitation, committees to deal with matters affecting fund raising, planning, development, building and grounds, investments, finances and budgets and other matters affecting the state of the Corporation, and may delegate such powers and duties thereto as the Board of Directors may deem advisable to the extent permitted by law. At any meeting of a committee, a quorum for the transaction of all business properly before the committee shall consist of a majority of the elected members of such committee.

ARTICLE III

Officers

Section 1. Officers. The officers of the Corporation shall consist of a President, a Treasurer, a Clerk, and such other officers as the Directors may determine.

Section 2. Election. The President, Treasurer, and Clerk shall be elected annually by the Directors. Any other officers determined necessary or desirable by the Directors may be elected by the Directors. Any two or more offices may be held by the same

person. The Clerk shall be a resident of the Commonwealth of Massachusetts unless the Corporation shall appoint a resident agent for the service of process appointed in the manner prescribed by law. Except as otherwise provided by law, the Articles of Organization or these By-Laws, all officers shall hold office until the annual meeting of the Directors or until their respective successors are chosen and qualified.

Section 3. Resignation and Removal. Any officer may resign by delivering a written resignation to the Corporation at its principal office or to the President or Clerk, and such resignation shall be effective upon receipt unless it is specified to be effective at some later time. The Directors may remove any officer with or without cause by a vote of the majority of the Directors then in office.

Section 4. President. The President shall be the Chief Executive Officer of the Corporation and as such shall have charge of the affairs of the Corporation subject to the supervision of the Board of Directors. The President shall, subject to the direction and control of the Board of Directors, preside when present at all meetings of the Directors. The President shall have such other powers and duties as are usually incident to that office and as may be vested in that office by the Directors.

Section 5. Treasurer. The Treasurer shall, subject to the direction and control of the Board of Directors, have general charge of the financial affairs of the Corporation and shall keep full and accurate books of account. The Treasurer shall maintain custody of all funds, securities, and valuable documents of the Corporation, except as the Directors may otherwise provide. The Treasurer shall have other such powers and duties as are usually incident to that office and as may be vested in that office by these By-Laws and by the Directors. An appropriate fidelity bond shall be secured for all officers having signatory power over banking and investment accounts.

Section 6. Clerk. The Clerk shall give such notices of meetings of the Directors as are required by these By-Laws and shall keep a record of all the meetings of the Directors.

The Clerk shall have other powers and duties as are usually incident to that office and as may be vested in that office by these By-Laws or by the Directors. In the absence of the Clerk from any meetings of the Directors, a Temporary Clerk designated by the person presiding at the meeting shall perform the duties of the Clerk.

ARTICLE IV

Miscellaneous Provisions

Section 1. Execution of the Instrument. All documents, deeds, bonds, notes, checks, and other instruments authorized to be executed by an officer of the Corporation on its behalf shall be signed by the President or the Treasurer except as the Directors may generally or in particular cases otherwise determine.

Section 2. Voting Securities. Except as the Board of Directors may otherwise designate, the President or Treasurer may waive notice of, and appoint any person or persons (with or without power of substitution) to act as proxy or attorney in fact for this Corporation at any meeting of stockholders of any corporation, the securities of which may be held by this Corporation.

Section 3. Corporate Records. The original or attested copies of the Articles of Organization, By-Laws and records of all meetings of Incorporators and Directors shall be kept in Massachusetts at the principal office of the Corporation or of the Clerk, but such corporate records need not all be kept in the same office.

Section 4. Definitions. All reference in the By-Laws to the Articles of Organization and to these By-Laws shall be deemed to refer, respectively, to the Articles of Organization and the By-Laws of the Corporation as amended and in effect from time to time.

ARTICLE V

Conflict of Interest Policy

Section 1. - Purpose.

The purpose of the conflict of interest policy is to protect this tax-exempt Corporation's interest when it is contemplating entering in a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit or charitable organizations.

Section 2. – Definitions.

- A. Interested Person – Any director, principle officer, or member of a committee with governing board delegated powers, who has 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:
 - a. An ownership or investment interest in any equity with which the Corporation has transaction or arrangement,
 - b. A compensation arrangement with the Corporation or with any equity or individual with which the Corporation has a transaction or arrangement, or
 - c. 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. Under Article V, Section 3B, 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 interests exists.

Section 3. – Procedures.

- A. 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 directors and members of the committees with governing board delegated powers considering the proposed transaction or arrangement.
- B. 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 governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- C. Procedures of Addressing the Conflict of Interest
 - a. An interested person may make a presentation to the governing board 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 governing body 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 governing board 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 circumstances not producing a conflict of interest, the

governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflict of Interest Policy

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

Section 4. – Records of Proceedings.

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

- A. The names of the persons who disclosed or otherwise were found to have 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 governing board's or committee's decision as to whether a conflict of interest in fact existed.
- B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. – Compensation.

- A. A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- B. A voting member of any committee whose jurisdiction includes compensation matters and who received compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- C. No voting member of the governing board or any committee 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.

Section 6. – Annual Statements.

Each director, principle officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- A. Has received a copy of the conflicts of interest policy,
- B. Has read and understands the policy,
- C. Has agreed to comply with the policy, and
- D. Understands the Corporation is charitable and in order to maintain its tax exemption status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. - Periodic Reviews.

To ensure 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, at a minimum, include the following subjects:

- A. Whether compensation arrangements are reasonable, based on competent survey information, and result in arms length bargaining.

- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policy are properly recorded, reflect reasonable investment or payment for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Subsection 8. - Use of Outside Experts.

When conducting periodic reviews of Subsection VI, 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 VI

Amendment of By-Laws

Section 1. Amendment. These By-Laws may at any time be amended or repealed, in whole or in part, by vote of a majority of the Directors.