

Southeast Fiber Arts Alliance, Incorporated
A Domestic Nonprofit Corporation

Amended and Restated
BYLAWS

Adopted by the Board of Directors
On October 16, 2009

Amended and Restated On December 16, 2011

Southeast Fiber Arts Alliance, Incorporated
A Domestic Nonprofit Corporation

BYLAWS

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Southeast Fiber Arts Alliance, Incorporated

BYLAWS

1. ARTICLE ONE – NAME, LOCATION, AND OFFICES

- 1.1. Name.** The name of this corporation shall be the “Southeast Fiber Arts Alliance, Incorporated,” hereinafter referred to as SEFAA or the corporation.
- 1.2. Registered Office and Agent.** The corporation shall maintain a registered office in the State of Georgia and shall have a registered agent whose address is identical with the address of such registered office. Such office shall be continuously maintained in the State of Georgia for the duration of the corporation. The board of directors may, from time to time, change the address of its registered office by duly adopted resolution and by filing the appropriate statement with the State.
- 1.3. Other Offices.** The corporation may also have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the board of directors may, from time to time, designate.

2. ARTICLE TWO – NONPROFIT PURPOSES

- 2.1. Nonprofit Corporation.** This corporation shall be organized and operated as a nonprofit corporation under the laws of the State of Georgia for the purposes set forth in the Articles of Incorporation.
- 2.2. IRS 501 (c)(3) Purposes.** This corporation is organized exclusively for one or more of the purposes as specified in Section 501 (c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501 (c)(3) of the Internal Revenue Code.
- 2.3. Specific Objectives and Purposes.** The specific objectives and purposes of this corporation shall be:
 - 2.3.1.** To provide fiber arts seminars, classes, workshops, and other educational events on topics including, but not limited to, weaving, sewing, quilting, felting, surface design, embroidery, knitting, and spinning;
 - 2.3.2.** To sponsor both juried and non-juried fiber art exhibitions;
 - 2.3.3.** To directly engage in, and to provide facilities for others to engage in, the promotion and appreciation of the fiber arts;

- 2.3.4. To sponsor special events open to the public which focus on the fiber arts;
 - 2.3.5. To engage in activities to promote innovation and excellence in the fiber arts;
 - 2.3.6. To engage in activities to preserve fiber art skills and traditions;
 - 2.3.7. To engage in other activities related to educating the public about the fiber arts; and
 - 2.3.8. To have the normal functions, operations, programs, and pursuits incidental to a regional nonprofit fiber arts center.
- 2.4. **Additional Activities.** In addition to the primary objectives and purposes set forth above, the corporation shall:
- 2.4.1. Conduct necessary fund-raising activities;
 - 2.4.2. Cooperate and counsel with other organizations and agencies in appropriate activities relating to the purposes of this corporation; and
 - 2.4.3. Do such other things and perform such other acts as the board of directors may deem necessary to accomplish the corporation's objectives.

3. **ARTICLE THREE – DIRECTORS**

- 3.1. **Number.** The corporation shall have a minimum of five (5) directors and a maximum of sixteen (16) directors and collectively they shall be known as the board of directors.
- 3.2. **Qualifications.** In order for an individual to be qualified to hold the position of director, he/she must meet the following qualifications:
- 3.2.1. Directors shall be of the age of majority in this state; and
 - 3.2.2. Directors shall be selected pursuant to the objective that the board as a whole should be broadly representative of the members, the community, and of the purposes of the corporation.
 - 3.2.2.1. Each individual member and each organization member is entitled to have one (1) representative on the board of directors.
 - 3.2.2.2. Employees of the corporation are entitled to have one (1) representative on the board of directors.

- 3.3. Powers.** Subject to the provisions of the laws of this state and any limitations in the articles of incorporation and these bylaws relating to action required or permitted to be taken or approved by the members of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by, or under the direction of, the board of directors. Under no circumstances, however, shall the fundamental and basic purposes of the corporation, as expressed in the articles of incorporation, be amended or changed.
- 3.4. Duties.** It shall be the duty of the directors to:
- 3.4.1.** Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws;
 - 3.4.2.** Perform whatever is deemed necessary, useful, advisable, or conducive, directly or indirectly, to achieve the mission of the corporation and to carry out its purposes in a manner that is ethical, effective, and economically sound, subject to the provisions of the laws of this state, the articles of incorporation, or these bylaws;
 - 3.4.3.** Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation and benefits, if any, of all agents and employees of the corporation;
 - 3.4.4.** Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
 - 3.4.5.** Monitor and evaluate the performance and results of the programs, services, and activities supported by the corporation;
 - 3.4.6.** Acquire, hold, own, improve, use, lease, exchange, dispose of, and otherwise deal with in the name of the corporation, by purchase, gift, lease, or exchange, on such terms and conditions and in such manner and by such instrument as it may deem proper, real and personal property or any legal or equitable interest in property of every kind, character, and description;
 - 3.4.7.** Receive, use, hold, invest and reinvest gifts, bequests, grants, endowments, donations and contributions of money, facilities, or services with or without consideration and to use the same, or the proceeds thereof, for the corporation or any of its activities or as specifically designated;
 - 3.4.8.** Be in charge of, and responsible for, the affairs, property, and assets of the corporation;

- 3.4.9. To make and amend bylaws, not inconsistent with the articles of incorporation or the laws of this state, for regulating and managing the affairs of the corporation;
- 3.4.10. Impose dues, assessments, and admission fees upon its members;
- 3.4.11. Establish and issue memberships and to admit members;
- 3.4.12. Meet at such times and places as required by these bylaws; and
- 3.4.13. Register their addresses with the secretary of the corporation.

3.5. Term of Office.

- 3.5.1. Each director shall hold office for a period of two years.
- 3.5.2. Directors shall serve a maximum of three consecutive terms.
- 3.5.3. Each year, one half of the authorized number of directors shall be elected to serve on the board of directors
- 3.5.4. For the initial board of directors, the secretary of the corporation shall assign each initial director to a numbered group and shall make a chance selection between or among the numbered groups (by selecting among numbered lots or by some other chance selection procedure). The group corresponding to the number so chosen shall be subject to election at the next regular meeting of members.
- 3.5.5. A decrease in the number of directors or term of office does not shorten an incumbent director's term.
- 3.5.6. Despite the expiration of a director's term, the director continues to serve until the director's successor is elected, designated, or appointed and qualifies, or until there is a decrease in the number of directors.

3.6. Compensation.

- 3.6.1. Directors shall serve without compensation except that a reasonable fee may be paid to directors for attending regular and special meetings of the board.
- 3.6.2. Directors shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties.
- 3.6.3. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 11 of these bylaws.

3.7. Place of Meetings. Meetings shall be held at the principal office of the corporation unless otherwise provided by the board or at such other place as may be designated from time to time by resolution of the board of directors.

3.8. Regular Meetings.

3.8.1. Regular meetings of directors shall be held quarterly on the third Friday of the month at 1 p.m. Meetings will usually be held in February, May, August, and November.

3.8.2. The board of directors may change the date and time of the monthly meetings by noting the changes below, and such changes shall not be deemed, nor require an amendment of these bylaws:

New date and/or time: _____

Dated: _____, 20____

New date and/or time: _____

Dated: _____, 20____

New date and/or time: _____

Dated: _____, 20____

3.9. Telephone and Similar Meetings. Directors may participate in and hold a meeting by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can simultaneously hear each other during the meeting. Participation in such a meeting shall constitute presence in person at the meeting, except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.10. Special Meetings. Special meetings of the board of directors may be called by the chairperson of the board, the president, the president-elect, the secretary, or by any two directors. Such meetings shall be held at the principal office of the corporation or, if different, at the place designated by the person or persons calling the special meeting.

3.11. Notice of Meetings. Unless otherwise provided by the articles of incorporation, these bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the board of directors:

- 3.11.1. Regular Meetings.** No notice need be given of any regular meeting of the board of directors.
- 3.11.2. Special Meetings.** At least one week prior to a special meeting of the board, notice shall be given by the secretary of the corporation to each director. Such notice may be oral or written, may be given personally, by first class mail, by telephone, or by email, and shall state the place, date, and time of the meeting and the matters proposed to be acted upon at the meeting. In the case of email notification, the director to be contacted shall acknowledge personal receipt of the email notice by a return email message or telephone call within twenty-four (24) hours of the first email transmission.
- 3.12. Waiver of Notice.**
- 3.12.1.** Attendance at any meeting shall constitute a waiver of notice of such meeting except where a member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.
- 3.12.2.** A written or electronically transmitted waiver of notice signed by a director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.
- 3.13. Quorum for Meetings.** A quorum shall consist of a majority of the members of the board of directors in office immediately before the meeting begins. Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.
- 3.14. Majority Action as Board Action.** Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board of directors, unless the articles of incorporation, these bylaws, or provisions of law require a greater percentage or different voting rules for the approval of a matter by the board.
- 3.15. Conduct of Meetings.**
- 3.15.1.** Meetings of the board of directors shall be presided over by the chairperson of the board, or, if no such person has been so designated, or in his or her absence, the president of the corporation, or in his or her absence, by the president elect of the corporation, or in the absence of each of these persons, by a chairperson chosen by a majority of the directors present at the meeting.

- 3.15.2.** The secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.
- 3.15.3.** Meetings shall be governed by *Robert's Rules of Order* insofar as such rules are not inconsistent with, or in conflict with, the articles of incorporation, these bylaws, or with provisions of law.
- 3.15.4.** A director who is present at a meeting of the board of directors or a committee of the board of directors when corporate action is taken is deemed to have assented to the action taken unless:
 - 3.15.4.1.** The director objects at the beginning of the meeting to holding the meeting or transacting business at the meeting;
 - 3.15.4.2.** The director's dissent or abstention from the action taken is entered in the minutes of the meeting; or
 - 3.15.4.3.** The director delivers written notice of the director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting.
- 3.15.5.** The right of dissent or abstention is not available to a director who votes in favor of the action taken.
- 3.15.6.** Any action required or permitted to be taken at a meeting of the board of directors may be taken without a meeting if written or electronic consent setting forth the action so taken is received from a quorum of the board of directors. Such consent shall have the same force and effect as a majority vote at a meeting and is effective when the last consent is received by the secretary unless the consent specifies a different effective date.

3.16. Removal and Resignation.

- 3.16.1.** Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.
- 3.16.2.** Any director may resign effective upon giving written notice to the chairperson of the board, the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the office of the Attorney General or other appropriate agency of this state.

- 3.16.3.** The members may remove one or more directors from office, with or without cause, as permitted by, and in accordance with, the laws of this state and provided the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors. A director may be removed by members only at a meeting called for the purpose of removing the director and the meeting notice must state that the purpose or one of the purposes of the meeting is removal of the director.
- 3.16.4.** A director who fails to attend three (3) consecutive regular meetings of the board without reasonable cause may be removed if a majority of directors then in office vote for the removal.
- 3.16.5.** Whoever is removing the director or directors shall do so by giving written notice of the removal to the director or directors and either the presiding officer of the board or the president or secretary of the corporation. Removal is effective when the notice is effective unless the notice specifies a future effective date.
- 3.16.6.** Unless otherwise prohibited by the articles of incorporation, these bylaws, or provisions of law, vacancies on the board may be filled by a majority of the directors then in office or by a sole remaining director. A person so elected to fill a vacancy on the board shall hold office until the next election of the board of directors or until his or her death, resignation, or removal from office. A director elected by the board may be removed without cause by the members but not by the board of directors.
- 3.16.7.** Any removal of a director who is an officer shall be effective to remove such person as such officer, and the successor director shall also succeed to such office.

3.17. Indemnification of Directors.

- 3.17.1.** Under the circumstances prescribed in paragraphs 3.17.3 and 3.17.4 of this section, the corporation shall indemnify and hold harmless any person ("Person") who was or is a party or is threatened to be made a party of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than any action by or in the right of the corporation) by reason of the fact that the Person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Person in connection with such action, suit or proceeding if the Person acted in a

manner the Person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the Person did not act in a manner which the Person reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

- 3.17.2.** Under the circumstances prescribed in paragraphs 3.17.3 and 3.17.4 of this section, the corporation shall indemnify and hold harmless any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact the Person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the Person in connection with the defense or settlement of such action or suit, if the Person acted in good faith and in a manner the Person reasonably believed to be in or not opposed to the best interests of the corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which the Person shall have been adjudged to be liable for negligence or misconduct in the performance of the Person's duty to the corporation, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnify for such expense which the court shall deem proper.
- 3.17.3.** To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraphs 3.17.1 and 3.17.2 of this section, or in defense of any claim, issue or matter therein, the Person shall be indemnified against expenses (including attorneys' fees) actually reasonably incurred by such Person in connection therewith.
- 3.17.4.** Except as provided in paragraph 3.17.3 of this section and except as may be ordered by a court, any indemnification under 3.17.1 and 3.17.2 of this section shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because the Person has met the applicable standard of conduct set

forth in paragraphs 3.17.1 and 3.17.2 and no personal benefit was improperly received by the Person. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by the firm of independent legal counsel then employed by the corporation, in a written opinion.

- 3.17.5.** 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 Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that the Person is entitled to be indemnified by the corporation as authorized in this section. Such payment by the corporation shall be made only pursuant to OCGA § 14-3-853.
- 3.17.6.** The indemnification provided by this section shall not be deemed exclusive of any other right to which the Persons indemnified hereunder shall be entitled and shall inure to the benefit of the heirs, executors or administrators of such Persons.
- 3.17.7.** The corporation may purchase and maintain insurance on behalf of any Person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against the Person and incurred by the Person in any such capacity, or arising out of the Person's status as such, whether or not the corporation would have the power to indemnify the Person against such liability under the provisions of this section.
- 3.17.8.** If any expenses or other amounts are paid by way of indemnification, otherwise than by court order or by an insurance carrier pursuant to insurance maintained by the corporation, the corporation shall, not later than the next annual meeting of the Board of Directors, unless such meeting is held within three months from the date of such payment, and, in any event, within fifteen months from the date of such payment sent by first class mail to its Board of Directors of record at the time entitled to vote for the election of directors, a statement specifying the Persons paid, the amounts paid, and the nature and status at the time of such payment of the litigation or threatened litigation.
- 3.18. Debts of Directors.** The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

- 3.19. Non-Liability of Directors.** Directors shall not be liable to the corporation, any member, or any other person for action taken or not taken as a director if the director acted in compliance with Georgia Code paragraph 14-3-830 (2009).
- 3.20. Director not Trustee.** Directors shall not be deemed to be trustees with respect to the corporation or with respect to any property held or administered by the corporation, including without limit, property that may be subject to restrictions imposed by the donor or transferor of such property.

4. ARTICLE FOUR – OFFICERS

4.1. Designation of Officers.

- 4.1.1.** The principal officers of the corporation shall be a the president, a president elect, a secretary, and a treasurer.
- 4.1.2.** Additional officers shall be a fundraising chair, a membership chair, a publicity chair, an education chair, and a gallery/shop chair.
- 4.1.3.** The corporation may also have a chairperson of the board, one or more vice presidents, assistant secretaries, assistant treasurers, and other such officers with such titles as may be determined from time to time by the board of directors.

4.2. Qualifications. Any director may serve as officer of this corporation.

4.3. Election and Term of Office.

- 4.3.1.** Officers shall be elected by the board of directors, at any time, and each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.
- 4.3.2.** No two principal offices may be held by the same person.

4.4. Removal and Resignation.

- 4.4.1.** Any officer may be removed, either with or without cause, by the board of directors, at any time.
- 4.4.2.** Any officer may resign at any time by giving written notice to the board of directors or to the president or secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.5. Vacancies. Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board of directors. In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment by the president until such time as the board shall fill the vacancy.

4.6. Duties of President.

4.6.1. The president shall, subject to the control of the board of directors, supervise and control the affairs of the corporation and the activities of the officers.

4.6.2. Unless another person is specifically appointed as chairperson of the board of directors, the president shall preside at all meetings of the board of directors and at all meetings of the members.

4.6.3. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, the president shall, in the name of the corporation, execute and deliver on behalf of the corporation any contract, conveyance, or similar document not requiring approval by the board of directors.

4.6.4. The president shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors.

4.7. Duties of President Elect.

4.7.1. In the absence of the president, or in the event of his or her inability or refusal to act, the president elect shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president.

4.7.2. The president elect shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed from time to time by the board of directors.

4.8. Duties of Secretary. The secretary shall:

4.8.1. Be custodian of and keep at the principal office of the corporation the corporate records as specified in Article 9.

4.8.2. Keep at the principal office of the corporation a book of minutes of all meetings of the directors, meetings of the members, and meetings of committees of directors recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given,

the names of those present or represented at the meeting, and the proceedings thereof. The book shall also contain waivers of notice of all meetings of the board of directors and its committees and executed consents evidencing all actions taken by the board of directors without a meeting.

- 4.8.3.** Ensure that the minutes of meetings of the corporation, any written consents approving action taken without a meeting, and any supporting documents pertaining to meetings, minutes, and consents shall be contemporaneously recorded in the corporate records of this corporation. "Contemporaneously" in this context means that the minutes, consents, and supporting documents shall be recorded in the records of this corporation by the later of (1) the next meeting of the board, committee, membership, or other body for which the minutes, consents, or supporting documents are being recorded, or (2) sixty (60) days after the date of the meeting or written consent.
- 4.8.4.** See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.
- 4.8.5.** Be custodian of the seal of the corporation and affix the seal, as authorized by law or the provisions of these bylaws, to duly executed documents of the corporation.
- 4.8.6.** Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor the bylaws and the minutes of the proceedings of the directors of the corporation.
- 4.8.7.** In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors.

4.9. Duties of Treasurer. The treasurer shall:

- 4.9.1.** Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of, and to the credit of, the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors
- 4.9.2.** Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.
- 4.9.3.** Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.

- 4.9.4. Keep and maintain adequate, appropriate, and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.
 - 4.9.5. Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefor.
 - 4.9.6. Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation.
 - 4.9.7. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
 - 4.9.8. Prepare, or cause to be prepared, an annual budget to be approved by the board of directors prior to the beginning of each fiscal year.
 - 4.9.9. In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of, or by these bylaws, or which may be prescribed from time to time by the board of directors.
- 4.10. Duties of Fundraising Chair.** The fundraising chair shall:
- 4.10.1. Be responsible for planning and executing all fundraising events and for securing grants, donations, corporate sponsors, endowments, designated and matching gifts, and other contributions to the corporation.
 - 4.10.2. In general, perform all duties incident to the office of fundraising chair and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors.
- 4.11. Duties of Membership Chair.** The membership chair shall:
- 4.11.1. Be responsible for all aspects of attaining and retaining members of the corporation.
 - 4.11.2. Keep at the principal office of the corporation a membership book containing the name and address of each member and the number of votes each member is entitled to, and, in the case where any membership has been terminated, record such fact in the membership book together with the date on which such membership ceased.

- 4.11.3. Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the membership book of the corporation.
 - 4.11.4. In general, perform all duties incident to the office of membership chair and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors.
- 4.12. Duties of Publicity Chair.** The publicity chair shall:
- 4.12.1. Be responsible for advertising and promoting the corporation and its events using all suitable media.
 - 4.12.2. Be responsible for the corporation's website and social networking sites.
 - 4.12.3. In general, perform all duties incident to the office of publicity chair and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors.
- 4.13. Duties of Education Chair.** The education chair shall:
- 4.13.1. Be responsible for all aspects of planning, scheduling, and providing classes, workshops, and events to further the objectives and purposes of the corporation and to maximize usage of the corporation's facilities.
 - 4.13.2. Be responsible for all aspects of planning, scheduling, and providing all outreach events.
 - 4.13.3. In general, perform all duties incident to the office of education chair and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors.
- 4.14. Duties of Gallery/Shop Chair.** The gallery/shop chair shall:
- 4.14.1. Be responsible for all aspects of exhibitions and displays in corporation facilities.
 - 4.14.2. The gallery/shop chair shall be responsible for all aspects of initiating and operating corporation's retail facilities.
 - 4.14.3. In general, perform all duties incident to the office of gallery/shop chair and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors.

5. ARTICLE FIVE– COMMITTEES

5.1. Executive Committee.

5.1.1. The board of directors may, by a majority vote of its members, designate an executive committee consisting of two (2) or more directors and may delegate to such committee the powers and authority of the board in the management of the business and affairs of the corporation, to the extent permitted, and, except as may otherwise be provided, by provisions of law.

5.1.2. By a majority vote of its members, the board may at any time revoke or modify any or all of the executive committee authority so delegated, increase the number of the members of the executive committee, and fill vacancies on the executive committee from the members of the board.

5.1.3. The executive committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.

5.1.4. The designation of such executive committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any individual director, of any responsibility imposed upon it or him by law.

5.2. Other Committees. The corporation shall have other committees as may from time to time be designated by resolution of the board of directors. These committees may consist of persons who are directors, members, or ex-officio members. Ex-officio members shall act in an advisory capacity providing input related to their area of expertise.

5.3. Meetings and Action of Committees.

5.3.1. Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these bylaws concerning meetings of the board of directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the board of directors or by the committee.

5.3.2. The board of directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

- 5.3.3. To the extent specified by the board of directors or in the articles of incorporation or these bylaws, each committee of the board may exercise the board's authority.
- 5.3.4. Committees may not:
 - 5.3.4.1. Approve or recommend to members dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the corporation's assets;
 - 5.3.4.2. Elect, appoint, or remove directors or fill vacancies on the board or on any of its committees; or
 - 5.3.4.3. Adopt, amend, or repeal the corporation's articles of incorporation or bylaws.
- 5.4. **Term of Appointment.** Each member of a committee shall be appointed by, and serve at the pleasure of, the board of directors.
- 6. **ARTICLE SIX – MEMBERS**
- 6.1. **Determination and Rights of Members.** The corporation shall have two classes of members. Except as expressly provided in or authorized by the articles of incorporation, these bylaws, or provisions of law, all memberships shall have the same rights, privileges, restrictions, and conditions.
 - 6.1.1. **Individual.** Any individual.
 - 6.1.2. **Organization.** Any organized group, guild, or club.
- 6.2. **Qualifications of Members.** Any individual or organization is qualified to become a member of this corporation.
- 6.3. **Admission of Members.** Applicants shall be admitted to membership on making application therefor in writing and upon payment of the first annual dues, as specified in these bylaws.
- 6.4. **Fees and Dues.**
 - 6.4.1. The annual dues payable to the corporation by members shall be in such amount as may be determined from time to time by the board of directors.
 - 6.4.2. Annual dues shall be payable upon application and annually thereafter on the last day of the month prior to the date of application.
- 6.5. **Number of Members.** There is no limit on the number of members the corporation may admit.

6.6. Membership Book.

6.6.1. The corporation shall keep a membership book containing the name and address of each member. Organization members shall designate one individual to receive notice and to vote for the organization or business.

6.6.2. Termination of the membership of any member shall be recorded in the book, together with the date of termination of such membership.

6.7. Nonliability of Members. A member of this corporation is not, as such, personally liable for the acts, debts, liabilities, or obligations of the corporation.

6.8. Nontransferability of Memberships. No member may transfer a membership or any right arising there from. All rights of membership cease upon the member's death.

6.9. Termination of Membership. The membership of a member shall terminate upon the occurrence of any of the following events:

6.9.1. Upon his or her notice of such termination delivered to the president or secretary of the corporation personally, by mail, or by electronic transmission such membership to terminate upon the date of delivery of the notice unless the notice specifies a later effective date.

6.9.2. Upon failure to renew his or her membership by paying dues on or before their due date, such termination to be effective thirty (30) days after a written notification of delinquency is given personally or mailed to such member by the secretary of the corporation. A member may avoid such termination by paying the amount of delinquent dues within a thirty (30) day period following the member's receipt of the written notification of delinquency.

6.9.3. Upon a determination by the board of directors that the member has engaged in conduct materially and seriously prejudicial to the interests or purposes of the corporation, provided that:

6.9.3.1. The member receives no less than fifteen (15) days' prior written notice of expulsion or termination and the reasons therefor; and

6.9.3.2. An opportunity to be heard either orally or in writing not less than five (5) days before the effective date of the expulsion or termination by a person or persons authorized to decide that the proposed expulsion or termination not take place; and

6.9.3.3. It is fair and reasonable taking into consideration all of the relevant facts and circumstances.

- 6.9.4. Any person expelled from the corporation shall receive a refund of dues already paid for the current dues period.
- 6.9.5. Any member whose membership has been terminated for any reason may be considered for reinstatement upon submission to the board of directors of a petition for same. The board of directors shall be authorized, but not required, to reinstate such membership, and to impose such conditions on same, including, without limitation, payment of reasonable charges, as the board may deem appropriate.
- 6.9.6. Any member whose membership has been terminated for any reason or who has been expelled shall not be relieved of any liability to the corporation for charges incurred, services or benefits actually rendered, dues, assessments, or fees.
- 6.9.7. All rights of a member in the corporation shall cease on termination of membership as herein provided.

7. ARTICLE SEVEN – MEETINGS OF MEMBERS

- 7.1. **Place of Meetings.** Meetings of members shall be held at the principal office of the corporation or at such other place or places as may be designated from time to time by resolution of the board of directors.
- 7.2. **Annual Meeting of Members.** The annual meeting of members shall be held on the third Friday of February each year, at 7 p.m.
 - 7.2.1. If the day fixed for the annual meeting falls on a legal holiday, such meeting shall be held at the same hour and place on the next business day.
 - 7.2.2. At the annual meeting:
 - 7.2.2.1. Directors shall be elected; and
 - 7.2.2.2. The president and treasurer shall report on the activities and financial condition of the corporation.
 - 7.2.3. The failure to hold an annual meeting at a time stated in or fixed in accordance with these bylaws does not affect the validity of any corporate action.
- 7.3. **Special Meetings of Members.**
 - 7.3.1. Special meetings of the members shall be called by the board of directors, the chairperson of the board, or by the president of the corporation.

7.3.2. The holders of at least five (5) percent of the voting power of the corporation may also call a special meeting provided that a written demand for the meeting describing the purpose or purposes for which it is to be held is signed, dated, and delivered to any corporate officer. The record date for determining members entitled to demand a special meeting is the date the first member signs the demand.

7.3.3. Only those matters that are within the purpose or purposes described in the required meeting notice may be conducted at a special meeting of members.

7.4. Notice of Meetings.

7.4.1. Unless otherwise provided by the articles of incorporation, these bylaws, or provisions of law, notice stating the place, day, and hour of the meeting shall be delivered not less than ten (10) days nor more than forty (40) days before the date of the meeting to each member entitled to vote at such meeting.

7.4.1.1. Notice of a special meeting shall also include a description of the purpose or purposes for which the meeting is called.

7.4.1.2. The notice of any meeting of members at which directors are to be elected shall also state the names of all those who are nominees or candidates for election to the board at the time notice is given.

7.4.2. The record date for determining members entitled to notice of a member's meeting is forty (40) days before the meeting.

7.4.3. Notice may be communicated in person, by telephone, by electronic transmission, by mail, or by private carrier.

7.4.3.1. Email notifications shall be transmitted to an address at which the member has consented to receive notice.

7.4.3.2. Members receiving notification by email shall acknowledge personal receipt of the email notification by a return email message or telephone call within twenty-four (24) hours of the first email transmission.

7.4.3.3. Consent to receive notification by electronic transmission shall be revocable by the member by written notice to the corporation.

7.4.4. Effective date of notice:

7.4.4.1. Written notice is effective when mailed, if mailed with first-class postage pre-paid and correctly addressed to the member's address shown in the corporation's current records of members.

7.4.4.2. Electronic transmissions are effective when transmitted to a member who has consented to receive such notice.

7.4.4.3. Oral notice is effective when communicated.

7.5. Waiver of Notice.

7.5.1. Whenever any notice of a meeting is required to be given to any member of this corporation under provisions of the articles of incorporation, these bylaws, or the law of this state, a waiver of notice in writing signed by the member, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

7.5.2. Attendance at any meeting shall constitute a waiver of notice of such meeting except where a member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

7.6. Quorum for Meetings.

7.6.1. A quorum shall consist of ten (10) percent of the voting members of the corporation.

7.6.2. Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the members at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.

7.6.3. Unless twenty (20) percent or more of the voting members of the corporation are present in person or by proxy, the only matters that may be voted upon at an annual or regular meeting of members are those matters that are described in the meeting notice.

7.7. Majority Action as Membership Action. Every act or decision done or made by a majority of voting members present in person or by proxy at a duly held meeting at which a quorum is present is the act of the members unless the articles of incorporation, these bylaws, or provisions of law require a greater number.

7.8. Voting Rights.

- 7.8.1.** Each member of the corporation whether individual or organization, is entitled to one vote on each matter submitted to a vote by the members.
- 7.8.2.** Voting at duly held meetings shall be by voice vote except that election of directors shall be by written ballot.
- 7.8.3.** Members may vote in person or by proxy.
 - 7.8.3.1.** A member or his or her agent, or attorney-in-fact may appoint a proxy to vote or otherwise act for the member by signing an appointment form either personally or by an electronic transmission. An electronic transmission must contain or be accompanied by information from which it can be determined that the member, the member's agent, or the member's attorney authorized the electronic transmission.
 - 7.8.3.2.** An appointment of proxy is effective when a signed appointment form or electronic transmission of the appointment is received by the secretary of the corporation.
 - 7.8.3.3.** An appointment of proxy shall not be valid after eleven (11) months from the date of its execution unless a longer period is expressly stated therein.
 - 7.8.3.4.** Subject to law and any express limitation on the proxy's authority appearing on the face of the appointment form or in the electronic transmission, the corporation is entitled to accept the proxy's vote or other actions as that of the member making the appointment.
 - 7.8.3.5.** If the validity of a proxy is questioned, it shall be submitted to the secretary of the members' meeting or to a proxy committee appointed by the person presiding at the meeting for examination. The secretary, or if appointed, the proxy committee, shall determine the validity or invalidity of any proxy submitted.
 - 7.8.3.6.** Reference by the secretary in the minutes of the meeting to the regularity of a proxy shall be received as prima facie evidence of the facts stated for the purpose of establishing the presence of a quorum at such meeting and for all other purposes.
 - 7.8.3.7.** An appointment of a proxy is revocable by the member.

7.9. Action by Written Ballot.

- 7.9.1.** Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, any action which may be taken at any annual or special meeting of members may be taken without a meeting if the corporation distributes a ballot in writing or by email to each member entitled to vote on the matter. The ballot shall:
- 7.9.1.1.** Set forth the proposed actions;
 - 7.9.1.2.** Provide an opportunity to specify approval or disapproval of each proposed action;
 - 7.9.1.3.** Indicate the number of responses needed to meet the quorum requirement and, except for ballots soliciting votes for the election of directors, state the percentage of approvals necessary to approve each matter; and
 - 7.9.1.4.** Shall specify the date by which the ballot must be received by the corporation in order to be counted. The date set shall afford members a reasonable time within which to return the ballots to the corporation.
 - 7.9.1.5.** Ballots for the election of directors shall list the persons nominated at the time the ballots are mailed or delivered.
- 7.9.2.** Ballots shall be mailed, emailed or delivered in the manner required for giving notice of membership meetings as specified in these bylaws
- 7.9.3.** Approval of action by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.
- 7.9.4.** A ballot in writing or by email may not be revoked.

7.10. Conduct of Meetings.

- 7.10.1.** Meetings of members shall be presided over by the chairperson of the board, or, if there is no chairperson, or in his or her absence, by the president of the corporation or, in his or her absence, by the president elect of the corporation or, in the absence of all of these persons, by a chairperson chosen by a majority of the voting members present at the meeting.

- 7.10.2.** The secretary of the corporation shall act as secretary of all meetings of members, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.
- 7.10.3.** Meetings shall be governed by *Roberts Rules of Order*, as such rules may be revised from time to time, insofar as such rules are not inconsistent with, or in conflict with, the articles of incorporation, these bylaws, or with provisions of law.
- 7.10.4.** A member's attendance at a meeting waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes describe in the meeting notice unless the member objects to considering the matter when it is presented.
- 7.10.5.** The corporation shall prepare an alphabetical list of the names of all of its members who are entitled to notice of the meeting. The list must show the address and the number of votes each member is entitled to vote at the meeting. The list of members must be available for inspection by any member for the purpose of communication with other members concerning the meeting beginning two (2) business days after the notice is given of the meeting for which the list was prepared and continuing through the meeting.
- 7.10.6.** Refusal or failure to prepare or make available the membership list does not affect the validity of action taken at a meeting.

8. ARTICLE EIGHT – EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

- 8.1. Execution of Instruments.** The board of directors, except as otherwise provided in these bylaws, may, by resolution, authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.
- 8.2. Checks and Notes.** Except as otherwise specifically determined by resolution of the board of directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by two (2) of the following: president, president elect, and treasurer
- 8.3. Deposits.** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

- 8.4. Gifts.** The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.
- 8.5. Authority to Deposit and Withdraw Funds.** The board of directors shall, by resolution, authorize the current president, president-elect, and treasurer to deposit and withdraw funds from the banks, trust companies, and other depositories selected by the board of directors. This authority shall be valid until written notice of revocation of such authority by the board of directors or until a subsequent resolution setting forth the authority to deposit and withdraw funds is received by the banks, trust companies, or other depositories selected by the board of directors.
- 8.6. Accounting Period.** The corporation's fiscal year shall be the calendar year.
- 8.7. Limitation of Disbursement.** Any expenditure in excess of \$1000 shall require the prior approval of the board of directors.
- 8.8. Minimum Fund Balance.** The corporation's account balance shall not drop below \$500 at any point in time without prior approval of the board of directors.
- 8.9. Administrative Costs.** The corporation shall strive to minimize administrative costs (including fund-raising costs) with the goal that administrative costs shall not exceed twenty (20%) of gross income per calendar year.
- 8.10. Audit.** Each year a three (3) member audit committee appointed by the board of directors shall review the financial records of the corporation and report their findings to the board no later than February 28th.

9. ARTICLE NINE – CORPORATE RECORDS, REPORTS, AND SEAL

- 9.1. Maintenance of Corporate Records.** The corporation shall keep at its principal office:
- 9.1.1.** The articles or restated articles of incorporation and all amendments to them currently in effect;
 - 9.1.2.** The bylaws or restated bylaws and all amendments to them currently in effect;
 - 9.1.3.** The most recent state corporation registration and state charitable organization registration;
 - 9.1.4.** The Internal Revenue Service determination letter;
 - 9.1.5.** Resolutions adopted by the board of directors increasing or decreasing the number of directors or the classification of directors, or relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class of members;

- 9.1.6. The minutes of all meetings of members, executed waivers of notice of meetings, and executed consents, delivered in writing or by electronic transmission, evidencing all actions taken or approved by the members without a meeting, for the past three (3) years;
 - 9.1.7. All communications in writing or by electronic transmission to members generally within the past three (3) years, including any financial statements furnished to members for the past three (3) years;
 - 9.1.8. A list of the names and business or home addresses of the current directors and officers;
 - 9.1.9. The minutes of all meetings of directors, and committees of the board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice give, and the names of those present and the proceedings thereof.
 - 9.1.10. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses.
 - 9.1.11. A record of its members, indicating their names and addresses, the class of membership held by each member, the number of votes each member is entitled to vote, and the termination date of any membership.
- 9.2. **Membership List.** Without consent of the board, a membership list or any part thereof may not be obtained or used by any person for any purpose unrelated to a member's interest as a member. Without limiting the generality of the foregoing, a membership list may not be:
- 9.2.1. Used to solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the corporation;
 - 9.2.2. Used for any commercial purposes;
 - 9.2.3. Sold to or purchased by any person.
- 9.3. **Corporate Seal.** The board of directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.
- 9.4. **Director's Inspection Rights.** Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation, and shall have such other rights to inspect the books, records, and properties of this

corporation as may be required under the articles of incorporation, these bylaws, or provisions of law.

9.5. Member's Inspection Rights. Each and every member shall have the following inspection rights:

9.5.1. To inspect and copy at a reasonable time and location specified by the corporation any of the records described in paragraphs 9.1.1 through 9.1.9 upon written demand on the secretary of the corporation by the member at least five (5) business days before the date on which the member wishes to inspect and copy.

9.5.2. To inspect and copy at a reasonable time and location specified by the corporation any of the records described in paragraphs 9.1.10 through 9.1.12 upon written demand on the secretary of the corporation by the member at least five (5) business days before the date on which the member wishes to inspect and copy, provided:

9.5.2.1. The member's demand is made in good faith and for a proper purpose that is reasonably relevant to the member's legitimate interest as a member;

9.5.2.2. The member describes with reasonable particularity the purpose and the records the member desires to inspect;

9.5.2.3. The records are directly connected with this purpose; and

9.5.2.4. The records are to be used only for the stated purpose.

9.5.3. Paragraph 9.5.2 does not affect the right of members to inspect the membership list for a meeting. The membership list shall be available at meetings held in person and any member is entitled to inspect the list at any time during the meeting or any adjournment.

9.5.4. The corporation may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the member. Such cost shall not exceed the estimated cost of production or reproduction of the records.

9.5.5. Members shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation, other provisions of these bylaws, or provisions of law.

9.6. Right to Copy and Make Extracts. Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

9.7. Periodic Report. The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members of this corporation, to be so prepared and delivered within the time limits set by law.

10. ARTICLE TEN – IRS 501 (c)(3) TAX EXEMPT PROVISIONS

10.1. Limitations on Activities.

10.1.1. No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501 (h) of the Internal Revenue Code), and this corporation shall not participate in or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

10.1.2. Notwithstanding any other provisions of these bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170 (c)(2) of the Internal Revenue Code.

10.2. Prohibition Against Private Inurement. No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, 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 of this corporation. The corporation shall make no loans to any of its directors, officers, or employees either directly or indirectly for any purpose whatsoever.

10.3. Distribution of Assets. Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed for one or more exempt purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

10.4. Private Foundation Requirements and Restrictions. In any taxable year in which this corporation is a private foundation as described in Section 509 (a) of the Internal Revenue Code, the corporation (1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; (2) shall not engage in any act of self-dealing as defined in Section 4941 (d) of the Internal Revenue Code; (3) shall not retain any

excess business holdings as defined in Section 4943 (c) of the Internal Revenue Code; (4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and (5) shall not make any taxable expenditures as defined in Section 4945 (d) of the Internal Revenue Code.

11. ARTICLE ELEVEN – CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

11.1. Purpose of Conflict of Interest Policy. The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958 (f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958 (c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

11.2. Definitions.

11.2.1. Interested Person. Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958 (f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.

11.2.2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

11.2.2.1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;

11.2.2.2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or

11.2.2.3. 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.

11.2.2.4. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

11.2.2.5. A financial interest is not necessarily a conflict of interest. Under paragraph 11.3.2, 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.

11.3. Conflict of Interest Avoidance Procedures.

11.3.1. 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 directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

11.3.2. 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 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.

11.3.3. Procedures for Addressing the Conflict of Interest.

11.3.3.1. An interested person may make a presentation at 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.

11.3.3.2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

11.3.3.3. 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.

11.3.3.4. 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.

11.3.4. Violations of the Conflicts of Interest Policy. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. 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.

11.4. Records of Board and Board Committee Proceedings. The minutes of meetings of the board of directors and all committees with board delegated powers shall contain:

11.4.1. 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 governing board's or committee's decision as to whether a conflict of interest in fact existed.

11.4.2. 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.

11.5. Compensation Approval Policies.

11.5.1. 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.

11.5.2. A voting 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.

11.5.3. 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.

- 11.5.4.** When approving compensation for employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding paragraphs of Article 11, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:
- 11.5.4.1.** The terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.
- 11.5.4.2.** All members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6 (c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a “disqualified person” (as defined in Section 4958 (f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
- 11.5.4.2.1.** Is not the person who is the subject of the compensation arrangement, or a family member of such person;
- 11.5.4.2.2.** Is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
- 11.5.4.2.3.** Does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
- 11.5.4.2.4.** Has no material financial interest affected by the compensation arrangement; and
- 11.5.4.2.5.** Does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- 11.5.4.3.** The board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:

- 11.5.4.3.1.** Compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. “Similarly situated” organizations are those of a similar size, purpose, and with similar resources;
 - 11.5.4.3.2.** The availability of similar services in the geographic area of this organization;
 - 11.5.4.3.3.** Current compensation surveys compiled by independent firms;
 - 11.5.4.3.4.** Actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement.
 - 11.5.4.3.5.** As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.
- 11.5.4.4.** The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
- 11.5.4.4.1.** The terms of the compensation arrangement and the date it was approved;
 - 11.5.4.4.2.** The members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
 - 11.5.4.4.3.** The comparability data obtained and relied upon and how the data was obtained;
 - 11.5.4.4.4.** If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other

compensation arrangement with this organization is higher or lower than the range of comparability data obtained the board or committee shall record in the minutes of the meeting the basis for its determination;

11.5.4.4.5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;

11.5.4.4.6. Any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);

11.5.4.4.7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

11.6. Annual Statements. Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

11.6.1. Has received a copy of the conflicts of interest policy;

- 11.6.2. Has read and understands the policy;
 - 11.6.3. Has agreed to comply with the policy; and
 - 11.6.4. Understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
- 11.7. 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 shall, at a minimum, include the following subjects:
- 11.7.1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
 - 11.7.2. 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 inurement, impermissible private benefit, or in an excess benefit transaction.
- 11.8. Use of Outside Experts.** When conducting the periodic reviews as provided for in Section 11.7, 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.

12. ARTICLE TWELVE - WHISTLEBLOWER PROTECTION POLICY

- 12.1. Conduct.** The corporation's directors, officers and employees are required to observe high standards of business and personal ethics in the conduct of their duties and responsibilities and must comply with all applicable laws and regulations.
- 12.2. Complaints.** If any director, officer, or employee reasonably believes that some policy, practice, or activity of the corporation is in violation of law, a written complaint must be filed by that person.
- 12.2.1. Complaints may be filed with the Board President or the Executive Director.
 - 12.2.2. Complaints may be submitted on a confidential basis by the complainant or they may be submitted anonymously.

- 12.2.3. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.
 - 12.2.4. Non-anonymous complainants will receive acknowledgement of receipt of the reported violation or suspected violation within five business days.
 - 12.2.5. Complaints will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.
 - 12.2.6. The board will be advised in a timely manner of all complaints and their resolution.
- 12.3. **Retaliation.** No director, officer or employee who in good faith reports a violation or suspected violation shall suffer harassment, retaliation or adverse employment consequence.
- 12.3.1. Anyone filing a complaint concerning a violation or suspected violation must have reasonable grounds that the practice is in violation of law or a clear mandate of public policy.
 - 12.3.2. Allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

13. **ARTICLE THIRTEEN – AMENDMENT OF BYLAWS AND ARTICLES**

- 13.1. **Changes.** These bylaws and the articles of incorporation, or any of them, may be altered, amended, or repealed, and new bylaws and amended or restated articles of incorporation may be adopted by approval of the board of directors.
- 13.2. **Notice.** The corporation shall deliver to the Secretary of State for filing articles of amendment or restated articles of incorporation setting forth:
- 13.2.1. The name of the corporation;
 - 13.2.2. The text of each amendment adopted;
 - 13.2.3. The date of each amendment's adoption;
 - 13.2.4. A statement to the effect that approval of the members was not required and that the amendment was approved by a sufficient vote of the board of directors.

14. ARTICLE FOURTEEN – CONSTRUCTION AND TERMS

14.1. Construction.

- 14.1.1.** If there is any conflict between the provisions of these bylaws and the articles of incorporation of this corporation, the provisions of the articles of incorporation shall govern.
- 14.1.2.** The table of contents and headings of these bylaws are for organization, convenience and clarity. In interpreting these bylaws, they shall be subordinate in importance to the other written material.
- 14.1.3.** Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

14.2. Terms

- 14.2.1.** All references in these bylaws to the articles of incorporation shall be to the articles of incorporation, certificate of incorporation, organizational charter, corporate charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.
- 14.2.2.** All references in these bylaws to a section or sections of the Georgia Code shall be to such sections of Title 14 of the Official Code of Georgia Annotated of 2009 or to corresponding provisions of any future code.
- 14.2.3.** All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future tax code.
- 14.2.4.** Electronic transmission means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved, and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process. Electronic transmissions include, but are not limited to, telegraphs, telegrams, cablegrams, teletypes, email, and facsimile transmissions.

15. ARTICLE FIFTEEN – MISCELLANEOUS

- 15.1. Nondiscrimination.** This Corporation shall not discriminate on the basis of age, sex, sexual orientation, race, color, creed, national origin, status as a veteran, or religion with respect to those with whom it shall interact.

15.2. Physical Accessibility. All offices and facilities operating under the Southeast Fiber Arts Alliance, Incorporated shall be physically accessible to persons with handicaps and disabilities.

Adoption of Bylaws

We, the undersigned, are all of the initial directors of this corporation, and we consent to, and hereby do, adopt the foregoing bylaws, consisting of forty one (41) preceding pages, as the bylaws of this corporation.

Dated: _____

Jane Timmers: _____

Linda Fetter: _____

Suzi Gough: _____

Leisa Rich: _____

Ray Pierotti: _____