

AMENDED AND RESTATED BYLAWS OF  
ART GOES TO SCHOOL OF DELAWARE VALLEY

(As of July [●], 2017)

ARTICLE I  
NAME; OFFICES AND FISCAL YEAR

Section 1.1 Name. The name of this corporation is ART GOES TO SCHOOL OF DELAWARE VALLEY sometimes referred to herein as “AGTS” or “Art Goes To School”.

Section 1.2 Registered Office. The corporation shall have and continuously maintain in the Commonwealth of Pennsylvania a registered office at an address to be designated from time to time by the Board of Directors (the “**Board**”), which may, but need not, be the same as its place of business.

Section 1.3 Other Offices. The corporation may also have offices at such other places as the Board may from time to time designate or the business of the corporation may require.

Section 1.4 Fiscal Year. The fiscal year of the corporation shall begin on June 1<sup>st</sup> of each calendar year.

ARTICLE II  
MISSION STATEMENT

Section 2.1 The corporation is organized exclusively for the following tax exempt purposes, as set forth in Article Three of the corporation’s Articles of Incorporation: The advancement of art education and such other educational or charitable purposes the accomplishment of which is beneficial to the community; generally to engage in any lawful business purpose to be conducted on a not-for-profit basis for which corporations may be incorporation under the Pennsylvania Nonprofit Corporation Law of 1972.

ARTICLE III  
MEMBERSHIP

Section 3.1 Membership in the corporation shall be open to any individual who actively participates to support and further the purposes set forth in Article II. In order to secure a membership base with this united goal, the following are requirements for initial and continued membership in AGTS:

- a) **Member in Good Standing:** A member in good standing is any individual member of the corporation who is: (i) current in their membership dues, (ii) follow their chapter’s custom of observing classes and presentations prior to conducting their own presentations. A member’s privileges may be suspended for failure to comply with these requirements.
- b) **Membership Dues:** The fee structure for membership dues shall be established from time to time by the Board.
- c) **Membership Year:** The membership year shall commence June 1<sup>st</sup> of each calendar year and shall last for a period of twelve months.
- d) **Member benefits and services** to which members are entitled shall be established from time to time by the Board.

ARTICLE IV  
MANAGEMENT BY THE BOARD OF DIRECTORS

Section 4.1 Board of Directors. The business and affairs of the Corporation shall be managed by the Board. The Board may exercise all such powers of the Corporation and do all such lawful acts and things as are directed or required to be exercised and done by statute, the Articles of Incorporation or these bylaws; provided, however, that the Board may not engage directly or indirectly in any activity, that would invalidate the Corporation's status (1) as an organization of the type described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “**Code**”), as amended, or under the corresponding provision of any

subsequent law, or (2) as a corporation of the type described in Section 170(c)(2) of the Code to which contributions are deductible under Section 170(a)(1).

Section 4.2 Committees. The Board may, by resolution adopted by a majority of the directors in office, establish one or more committees consisting of one or more directors as may be deemed appropriate or desirable by the Board to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board or pursuant to which it was created, shall have and may exercise all of the powers and authority of the Board, except that no committee shall have any power or authority as to the following:

- a) The filling of vacancies in the Board;
- b) The adoption, amendment or repeal of these bylaws;
- c) The amendment or repeal of any resolution of the Board that by its terms is amenable or repealable only by the Board; and
- d) Action on matters committed by these bylaws or a resolution of the Board exclusively to another committee of the Board.

The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member.

## ARTICLE V DIRECTORS

### Section 5.1 Board of Directors.

- a) The number of directors shall be determined by the Board from time to time but shall not be less than five (5) nor more than thirteen (13).
- b) Each director shall be a natural person of the age 18 years or older and need not be a resident of the Commonwealth of Pennsylvania.
- c) Directors shall be nominated by a majority vote of the Board. The candidates receiving the highest number of votes shall be elected. Each director shall be elected for a term of two years and until his or her successor has been elected and qualified or until his or her earlier death, resignation or removal.
- d) A person or group of persons entitled to elect, appoint, designate or otherwise select one or more directors may select one or more alternates for each such director. In the absence of a director from a meeting of the board, one of his or her alternates may attend such meeting and exercise at the meeting all of the powers of the absent director.
- e) No Director shall be entitled to any compensation other than reimbursement of expenses paid on behalf of the corporation.

### Section 5.2 Removal of Board of Directors.

- a) The entire Board or any individual director may be removed from office without assigning any cause by a majority vote of the members of the Board. If any directors are so removed, new directors may be elected at the same meeting.
- b) The Board may declare vacant the office of a director who has been judicially declared of unsound mind or who has been convicted of a felony, or if within sixty (60) days after notice of his or her election, the director does not accept such office either in writing or by attending a meeting of the Board, and fulfill such other requirements of qualification as these bylaws may specify.

### Section 5.3 Vacancies on Board of Directors

- a) Vacancies on the Board, including vacancies resulting from an increase in the number of directors, shall be filled by a majority vote of the remaining members of the Board, though

less than a quorum, or by a sole remaining director, and each person so elected shall be a director to serve for the balance of the unexpired term.

- b) When one or more directors resign from the Board effective at a future date, the directors then in office, including those who have so resigned, shall have the power by a majority vote to fill the vacancies, the vote thereon to take effect when the resignations become effective.

## ARTICLE VI MEETINGS OF THE BOARD OF DIRECTORS

Section 6.1 Meetings of the Board. Meetings of the Board may be held at such place within or without Pennsylvania as the Board may from time to time appoint, or as may be designated in the notice of the meeting. Regular meetings of the Board shall be held at such time and place as shall be designated from time to time by resolution of the Board. If the date fixed for any such regular meeting be a legal holiday under the laws of the State where such meeting is to be held, then the same shall be held on the next succeeding business day, not a Saturday, or at such other time as may be determined by resolution of the Board. At such meetings, the Board shall transact such business as may properly be brought before the meeting. Notice of regular meetings need not be given unless otherwise required by law or these bylaws.

Section 6.2 Special Meetings of the Board. Special meetings shall be called by the President or Secretary in like manner and on like notice upon the written request of a majority of the directors in office. Special meetings of the Board shall be held whenever called by the President or by two or more of the directors. Notice of each such meeting shall be given to each director by telephone or in writing at least twenty-four hours (in the case of notice by telephone) or forty-eight hours (in the case of notice by electronic notification) or five days (in the case of notice by mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Notice of any meeting of the Board during any emergency resulting from warlike damage or an attack on the United States or any nuclear or atomic disaster shall be given only to such of the directors as it may be feasible to reach at the time and by such means as may be feasible at the time, including publication or radio. To the extent required to constitute a quorum at any meeting of the Board during such an emergency, the officers of the corporation who are present shall be deemed, in order of rank and within the same rank in order of seniority, director for such meeting.

Section 6.3 Quorum. Except as otherwise provided in this Article, a majority of the directors in office shall be present at each meeting in order to constitute a quorum for the transaction of business. Every director shall be entitled to one vote. Except as otherwise specified in the Articles of Incorporation or these bylaws or provided by statute, the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. In the absence of a quorum, a majority of the directors present and voting may adjourn the meeting from time to time until a quorum is present.

Section 6.4 Action by Written Consent. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a written consent or consents setting forth the action so taken signed by all of the directors in office is filed with the Secretary of the Corporation.

## ARTICLE VII OFFICERS

Section 7.1 Officers. The corporation shall have a President, Vice-President, a Secretary and a Treasurer, or persons who shall act as such, regardless of the name or title by which they may be designated, elected or appointed and may have such other officers and assistant officers as the Board may authorize from time to time. The President and Secretary shall be natural persons of the age 18 years or older. It shall not be necessary for the officers to be directors. Any number of offices may be held by the same person. The Officers shall be nominated by a nominating committee of the Board or from the floor.<sup>1</sup> A new slate of officers will be selected every two years. The immediate past President shall serve as the head of the nominating committee and shall appoint fellow committee members representing the geographic diversity of the chapters. The Nominating Committee shall recruit nominees for officers from the general membership

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<sup>1</sup> The current bylaws authorize the President to elect the other officers. It is good corporate governance and customary to have the Board elect officer positions.

who shall be approved for nomination by the consensus of the Nominating Committee. Nominations of a slate of officers will be arrived at by consensus of the nominating committee and presented for approval at the June Council meeting. The Board shall have the authority to appoint interim officers, if necessary.

Section 7.2 Removal of Officers. Any officer or agent of the corporation may be removed by the Board whenever in its judgment the best interests of the corporation will be served by such removal. The removal shall be without prejudice to the contract rights, if any, of any person so removed. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board.

Section 7.3 Duties of Officers:

- a) The President shall preside at all lectures, seminars, Board and Council meetings and serve as the primary representative of the organization.
- b) The Vice-President shall assume the duties of the President in his or her absence and shall coordinate all lectures, workshops and other programming.
- c) The Secretary shall record minutes for all Board and Council meetings and forward said minutes to members in a timely manner. He or she shall also maintain an archive of all organizational minutes.
- d) The Treasurer shall collect all membership dues and keep an accurate record of all receipts and disbursements. The Treasurer shall prepare a financial report for each Board and Council meeting and aid in the preparation of tax returns of the corporation. He or she shall maintain and update an accurate membership list of each chapter.
- e) The Portfolio Manager shall redistribute portfolios each year, purchase new reproductions and maintain a library of research concerning the art.
- f) The past President shall act in an advisory capacity and serve as the nominating committee chair.

No Officer shall be entitled to any compensation other than reimbursement of expenses paid on behalf of the corporation.

ARTICLE VIII  
COUNCIL; CHAPTERS

Section 8.1 Chapters. The affairs of each chapter shall be managed by such chapter's chairperson or assistant chairperson, as applicable. The Chairperson's Council (the "**Council**") shall be comprised of the chairperson of each chapter of AGTS. Each member of the Council is required to be an active, presenting member of his or her chapter.

- a) *Council Membership.* The Council shall be composed of the chairperson and assistant chairperson of each chapter. Each chapter shall be entitled to one vote in all matters before the Council including membership dues and spending as outlined in section.
- b) Selection of chapter chairpersons and assistant chairpersons: The chairperson and assistant chairperson of each chapter shall be selected by a majority of the members of the chapter.
- c) Duties of the chapter: The chapter chairperson and assistant chapter chairperson shall conduct the business of the chapter. Duties of chapter chair and assistant chair shall include, but are not limited to:
  - i. Schedule and conduct meetings and discussions to learn about the portfolio;
  - ii. Organize chapter members to research and duplicate all reference materials needed in preparation for presenting in the schools;
  - iii. Organize the chapter to create appropriate presentations for use in the schools;
  - iv. Schedule, with help from chapter members, the presentations in the schools, with priority to public schools when possible;

- v. Monitor the program and presentations in the schools to ensure smooth coordination with the schools;
- vi. Plan with chapter members to recruit and train new members;
- vii. Promptly forward dues and current membership list to the Treasurer;
- viii. Assist the chapter members in maintaining and preserving the condition of the portfolio; and
- ix. Coordinate the transfer of the clean portfolio and all reference materials for that portfolio to the next chapter where the portfolio is to be utilized.

A chapter chair or assistant chair may be replaced by the Board and/or chapter members for failure to carry out these duties.

Section 8.2 Chapter Chairperson or Assistant Chairperson Resignations. Any Officer, Board chapter chair or assistant chair may resign at any time by giving written notice to the President or the Secretary of the corporation. Such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.3 Removal of Chapter Chairperson or Assistant Chairperson. The Board may remove a chapter chairperson or assistant chairperson if he or she is declared of unsound mind by an order of court, or convicted of a felony, or for any other proper cause, or if within 60 days after notice of his or her selection, he or she does not accept such office either in writing or by attending a meeting of the Board or Council. Any chapter chairperson or assistant chairperson may be removed by the Board whenever in its judgment the best interests of the corporation will be served by such removal. The removal shall be without prejudice to the contract rights, if any, of any person so removed. If the chair or assistant chair position becomes vacant for any reason, the vacancy may be filled by the Board.

Section 8.4. Vacancies of Chapter Chair or Assistant Chair Positions. Any vacancy of a chapter chair or assistant chair for any cause shall be filled by a majority of the members of the chapter at the next following regular or special chapter meeting though less than a quorum, and each person so selected shall be a chapter chair or assistant chair as applicable for the balance of the unexpired term.

Section 8.5 Meetings of the Council. Meetings of the Council may be held at such place within or without Pennsylvania as the Board may from time to time appoint, or as may be designated in the notice of the meeting. Regular meetings of the Council shall be held at such time and place as shall be designated from time to time by resolution of the Board. If the date fixed for any such regular meeting be a legal holiday under the laws of the state where such meeting is to be held, then the same shall be held on the next succeeding business day, not a Saturday, or at such other time as may be determined by resolution of the Board. At such meetings, the Council shall transact such business as may properly be brought before the meeting. Notice of regular meetings need not be given unless otherwise required by law or these bylaws.

Section 8.6 Special Meetings of the Council. Special meetings shall be called by a majority of the members of the Council or the President. Special meetings of the Council shall be held whenever called by the President or a majority of the Council. Notice of each such meeting shall be given to each Council member by telephone or in writing at least twenty-four hours (in the case of notice by telephone) or forty-eight hours (in the case of notice by electronic communication) or five days (in the case of notice by mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Notice of any meeting of the Council during any emergency resulting from warlike damage or an attack on the United States or any nuclear or atomic disaster shall be given only to such of the Council members as it may be feasible to reach at the time and by such means as may be feasible at the time, including publication or radio.

Section 8.7 Quorum of Council. Two-thirds (2/3) of the members of the Council shall be present at each meeting in order to constitute a quorum for the transaction of business. Every Council member shall be entitled to one vote upon matters to be voted upon by the Council. Except as otherwise specified in the

Articles of Incorporation or these bylaws or provided by statute, the acts of a majority of the members of the Council present at a meeting at which a quorum is present shall be the acts of the Council. In the absence of a quorum, a majority of the members of the Council present and voting may adjourn the meeting from time to time until a quorum is present.

Section 8.8 Action by Written Consent. Any action required or permitted to be taken at a meeting of the Council may be taken without a meeting if a written consent or consents setting forth the action so taken signed by all of the members of the Council in office.

Section 8.9 Minimum Purpose of Council Meetings.

MINIMUM PURPOSE OF COUNCIL MEETINGS.

1. a representative from each chapter shall attend each meeting. Each chapter shall have one vote.
2. the fall meeting will supply information and material for the coming academic year.
3. the June meeting will include the following:
  - a. the Portfolio Exchange between chapters
  - b. the budget for the following year will be presented and voted upon
  - c. the calendar of lectures and meetings for the following year will be presented
  - d. every two years a slate of officers will be presented to the Council for approval.

ARTICLE IX  
NOTICE—WAIVERS

Section 9.1 Notice; What Constitutes. Whenever written notice is required to be given to any person under the provisions of the articles, these bylaws, or the Nonprofit Corporation Law of 1988, it may be given to such person, either personally or by sending a copy thereof by first class mail, postage prepaid, or by overnight delivery service, charges prepaid, to his or her address supplied by him or her to the corporation for the purpose of notice or by fax or e-mail the fax number or e-mail address provided by such member to the corporation for such purpose. If the notice is sent by mail or by overnight delivery, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with the overnight delivery service office for delivery to such person. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by law or these bylaws.

When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 9.2 Waivers of Notice. Whenever any written notice is required to be given under the provisions of the articles, these bylaws, or the Nonprofit Corporation Law of 1988, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by Section 10.5 of these bylaws, neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of such meeting.

Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person 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.

Section 9.3 Modification of Proposal Contained in Notice. Whenever the language of a proposed resolution is included in a written notice of a meeting, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

Section 9.4 Exception to the Requirement of Notice. Wherever any notice or communication is required to be given to any person under the provisions of the articles or these bylaws, or the Nonprofit Corporation Law of 1988, or by the terms of any agreement or other instrument or as a condition precedent to taking any corporate action, and communication with such person is then unlawful, the giving of such notice or communication to such person shall not be required and there shall be no duty to apply for a license or other permission to do so.

Section 9.5 Conference Telephonic Meetings. One or more persons may participate in a meeting of the Board, a committee of the Board or the Council by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

ARTICLE X  
LIMITATION OF PERSONAL LIABILITY OF DIRECTORS; INDEMNIFICATION OF  
DIRECTORS, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES

Section 10.1 Limitation of Personal Liability of Directors. A director of the corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

- a) the director has breached or failed to perform the duties of his or her office as defined in the bylaws; and
- b) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

The provisions of this Section shall not apply to (a) the responsibility or liability of a director pursuant to any criminal statute; or (b) the liability of a director for the payment of taxes pursuant to local, state or federal law.

Section 10.2 Standard of Care and Justifiable Reliance.

- a) A director of the corporation shall stand in a fiduciary relationship to the corporation, and shall perform his or her duties as a director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:
  - i. One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;
  - ii. Counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person;
  - iii. A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

A director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

- b) In discharging the duties of their respective positions, the Board, committees of the board and individual director may, in considering the best interests of the corporation, consider the effects of any action upon employees, upon persons with whom the corporation has business and other relations and upon communities which the offices or other establishments of or related to the corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of subsection (a) of this Section.
- c) Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a director or any failure to take any action shall be presumed to be in the best interests of the corporation.

Section 10.3 Indemnification in Third Party Proceedings. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative 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 him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner 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 his or her 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 good faith and in a manner which he or she 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 his or her conduct was unlawful.

Section 10.4 Indemnification in Derivative Actions. The corporation shall indemnify 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 that he or she is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the corporation unless and only to the extent that the Court of Common Pleas of Philadelphia County or 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 indemnity for such expenses which the Court of Common Pleas or such other court shall deem proper.

Section 10.5 Mandatory Indemnification. Notwithstanding any contrary provision of the articles of incorporation or these bylaws, to the extent that a representative of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 10.2, 10.3 and 10.4 above, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 10.6 Determination of Entitlement to Indemnification. Unless ordered by a court, any indemnification under C. or D. above shall be made by the corporation only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such paragraph. Such determination shall be made:

- a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or
- b) if such a quorum is not obtainable, or, even if obtainable, a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

Section 10.7 Advancing Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board in a specific case upon receipt of an undertaking by or on behalf of the representative to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation as authorized herein.

Section 10.8 Indemnification of Former Representatives. Each such indemnity may continue as to a person who has ceased to be a representative of the corporation and may inure to the benefit of the heirs, executors and administrators of such person.

Section 10.9 Insurance. The corporation shall have the power to 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 such person and incurred by such person in any capacity or arising out of such person's status as such, whether or not the corporation would otherwise have the power to indemnify such person against such liability.

Section 10.10 Reliance on Provisions. Each person who shall act as an authorized representative of the corporation shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

## ARTICLE XI MISCELLANEOUS

Section 11.1 Corporate Seal. The corporation shall have a corporate seal in the form of a circle containing the name of the corporation, the year of incorporation and such other details as may be approved by the Board.

### Section 11.2 Financial Policy.

- a) AGTS receives and maintains monies from three main sources: (i) income from dues, interest and gifts and donations, (ii) assets, and (iii) grants.
- b) For each fiscal year, a budget will be determined for the yearly operating expenses of the corporation. These funds will be allotted from income sources only -- interest accrued, gifts and donations and the dues collected from membership and grants, where applicable. Each officer may use his or her yearly budget appropriation for necessary expenses. If an officer finds his or her expenses exceeding 10% of the approved budget, he or she must receive Board approval for additional expenditures.
- c) For non-budgeted emergency expenses, the Board must approve expenditures from 10-25% of each officer's budget. An officer may not exceed 25% of his or her budget without the Council approval.
- d) For special projects that require using organizational assets, the Council must approve expenditures up to 10% of the organizations total assets. Approval must be by at least 2/3's of the chairpersons of all chapters.
- e) For extraordinary expenditures between 10% and 25% of the organization's assets, the entire membership must vote. Approval must be by two-thirds of each chapter's membership.
- f) Extraordinary expenditures must appear as a line item in the next year's budget. Projects involving use of up to 25% of the organization's assets must be outlined in an agenda and presented to the membership ninety days prior to the June meeting.
- g) The organization may not use more than 25% of the organization's assets for any project.
- h) Grant funds and dedicated gifts can only be used for the designated purposes. Grant funds cannot be commingled with or included in calculations of the organization's assets, and must be spent in a timely manner. Grant applications must be approved by a majority of the Board before submission.
- i) All checks, notes, bills of exchange or other orders in writing shall be signed by such person or persons as the Board may from time to time designate.
- j) Except as otherwise provided in these bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or to execute or deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.
- k) 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 may approve or designate,

and all such funds shall be withdrawn only upon checks signed by such one or more officers or directors as the Board shall from time to time determine.

Section 11.3 Annual Report of the Board. The Board shall direct the President and Treasurer to present at the annual meeting of the board a report showing in appropriate detail the following:

- a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year immediately preceding the date of the report.
- b) The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report.
- c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report.
- d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the year immediately preceding the date of the report.
- e) The annual report of the Board shall be filed with the minutes of the annual meeting of the Board.

Section 11.4 Interested Directors or Officers. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for such reason, or solely because the director or officer is present at or participates in the meeting of the Board which authorizes the contract or transaction, or solely because his/her or their votes are counted for such purpose, if:

- a) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Board and the Board in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or
- b) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes a contract or transaction specified in this section.

Section 11.5 Amendment of Bylaws. These bylaws may be amended or repealed, or new bylaws may be adopted, by vote of a majority of the Board of the corporation in office at any regular or special meeting.