

**BYLAWS
OF
QUILTER’S GUILD OF DALLAS, INC.**

**ARTICLE 1
NAME**

The name of this corporation shall be Quilter’s Guild of Dallas, Inc., a Texas Non-Profit corporation. These bylaws constitute the code of rules adopted by Quilter’s Guild of Dallas, Inc. for the regulation and management of its affairs.

**ARTICLE 2
PURPOSE**

Quilter’s Guild of Dallas, Inc. (“the Guild”) shall exist for the purpose of performing charitable, educational, literary, and artistic activities. The purpose of the Guild shall be to preserve the heritage of quilting, to be the source of information and inspiration, to perpetuate a high quality of excellence in quilting and related arts, and to be a gathering for people with a common interest. The Guild shall be and is a non-profit corporation under the laws of the state of Texas and within the meaning of Internal Revenue Code Section 501(c)(3) and Texas Tax Code 11.18.

**ARTICLE 3
OFFICES**

3.01 Principal Office

The principal office of the corporation in the State of Texas shall be located in the City of Dallas, County of Dallas. The corporation may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

3.02 Registered Office and Registered Agent

The corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE 4
MEMBERS

4.01 Classes of Members

The corporation shall have three(3) classes of members. The designation of such classes and the qualifications and rights of the members of such classes shall be as follows:

- a. **Active Member:** an individual who pays annual dues, attends Guild meetings, participates in Guild activities, and/or works on committees. All Active Members shall have voting privileges and shall have the right to hold office or committee chairmanship.
- b. **Life Member:** an individual who has been granted life membership in the Guild at the recommendation of the Executive Committee. Life Members shall not pay dues but may nonetheless participate in Guild activities, hold office, and have voting privileges. All past presidents of the Guild shall be considered Life Members.
- c. **Charter Member:** an individual who became a member of the Guild when the Guild was initially organized. All Charter Members shall pay annual dues, shall have voting privileges, and shall have the right to hold office or committee chairmanship.

4.02 Membership

Any individual may become an Active Member of the Guild by payment of annual dues. Members whose names have been presented to the Executive Committee throughout the year may be elected as Life Members by majority vote of the members of the Executive Committee present at the Regular Executive Committee Meeting each April and shall be presented their Life membership at the Annual Meeting of the members each May.

4.03 Voting Rights

Each member entitled to voting privileges under Section 4.01 above shall be entitled to one vote on each matter submitted to a vote of such members.

4.04 Termination of Membership

The Board of Directors, by affirmative vote of two-thirds of all of the members of the Board, may suspend or expel a member for cause after an appropriate hearing. The Board of Directors may also, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues for the period fixed in Article 11.04 of these Bylaws.

4.05 Resignation

Failure of any member who is required to pay dues, to pay dues for the period fixed in Article 11.04 of these Bylaws shall be deemed a voluntary resignation from the Guild.

4.06 Transfer of Membership

Membership in the Guild is not transferable or assignable.

ARTICLE 5
MEETINGS OF MEMBERS

5.01 Annual Meeting

An Annual Meeting of the Guild members shall be held in May of each year, beginning with the year 1986, for the purposes of presenting the slate of proposed officers which shall be effective September 1, after having been qualified and duly elected, and shall constitute the Board of Directors of the corporation. This Annual Meeting shall also be held for the transaction of other business as may come before the meeting. If possible, items to be discussed at the Annual Meeting should be published in the Guild newsletter, given by email, and by web site announcement prior to such meeting. If the election of Officers shall not be held on the day designated for any Annual Meeting, or at any adjournment thereof, the election shall be held at a Special Meeting of the members as soon thereafter as possible.

5.02 Regular Meetings

Regular Meetings of the members of the Guild shall be held each month for the purpose of transacting any business that may properly come before the meeting. Such meetings shall be at the place and time as designated by the Guild President or by majority vote of the Guild members present at the preceding Regular Meeting. No formal notice of any such Regular Meeting of the Guild members shall be required.

5.03 Special Meetings

Special Meetings of the Guild members may be called by or at the request of the President, the Board of Directors, or not less than one-tenth of the Guild members having voting rights.

5.04 Place of Special Meetings

The President, the Board of Directors, or the Guild members calling any Special Meeting may designate any place, either within or without the State of Texas, as the place of meeting. If no designation is made, the place of meeting shall be the registered office of the corporation in the State of Texas; but if all of the members shall meet at any time and place, either within or without the State, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting, any corporate action may be taken.

5.05 Notice of Annual and Special Meetings

Written or printed notice stating the place, day, and hour of the Annual or any Special Meeting of Guild members shall be delivered to each member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. Notice may be delivered personally, given by regular mail, or given by e-mail or website announcement. If mailed, the notice of the Annual Meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at the address as it appears on the records of the

corporation, with postage there on prepaid. If given by e-mail, a notice is deemed delivered when sent, unless message comes back saying it was not delivered.

5.06 Informal Action by Members

Any action required by law to be taken at a meeting of the members or any action which may be taken at a meeting of the members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

5.07 Quorum and Required Vote

The members holding one-tenth of the votes entitled to be cast, represented in person or by proxy, at any meeting of the members shall constitute a quorum. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice. A quorum being present, all business shall be approved by proxy, at such meetings, unless otherwise stipulated by these Bylaws or Robert's Rules of Order, Newly Revised.

5.08 Proxies

At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by the duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

5.09 Voting by Mail

Where officers are to be elected by members, such election may be conducted by mail in such manner as the Board of Directors shall determine unless otherwise stipulated by these bylaws or Robert's Rules of Order, Newly Revised.

5.10 Meeting by Telephone, Video Conference, Webcasts, Instant Messenger or E-Mail

The Board of Directors may hold a meeting by telephone, conference call procedures, videoconference, webcasts, internet, instant messaging, or through e-mail communication.

ARTICLE 6
BOARD OF DIRECTORS

6.01 Management of Corporation

The Board of Directors (Board) of this Corporation is vested with the management of the business and affairs of this Corporation, subject to the Texas Non-Profit Corporation Act, the Articles of Incorporation, and these bylaws.

6.02 Qualifications

The Board of Directors shall be comprised of duly elected officers of the corporation, who need not be residents of Texas but must be Guild members.

6.03 Number of Directors

The Board of Directors shall consist of not less than five (5), but no more than ten (10) directors. Upon an action of the Board, the number of directors may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent director, or decreasing the total number of directors to less than five (5) directors.

6.04 Term of Directors

Each director shall hold office until the next annual election of officers or until the successor shall have been qualified and elected. Elected directors may hold office for no more than two (2) consecutive years in the same office, beginning with the 2006 term.

6.05 Removal of Directors

A director may be removed by an action of the Board of Directors without cause, at any time. Any director under consideration of removal must first be notified about the consideration by written notice at least five (5) days prior to the meeting at which the vote takes place. Such written notice shall also be provided to the Board prior to the vote on the matter. A director who has been removed shall have a duty of confidentiality to the Corporation, and shall not make statements in violation of this duty or with the purpose of disparaging the Corporation.

6.06 Vacancies

Any vacancy occurring on the Board of Directors shall be elected by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office. The Board of Directors shall provide written notice in the Guild newsletter, on the website, or via e-mail of the vacant position thirty (30) days prior to the vote, for the purpose of soliciting nominations. If the Board of Directors is not able to fill the vacancy, the position will remain vacant until such time as filled, and the standing committees will report to the Board of Directors.

6.07 Compensation of Directors

Directors shall not receive salaries for their services. Notwithstanding the preceding sentence, nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation therefore.

6.08 Duties of Directors

Directors will discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Corporation's best interests. In this context, the term "ordinary care" means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed, or power conferred on directors, directors may in good faith rely on information, opinions, reports, or statements including financial statements and other financial data, concerning the Corporation or another person that has been prepared or presented by a variety of persons, including officers and employees of the Corporation, or professional advisors or experts, such as accountants or legal counsel. A director is not relying in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted.

Specifically, directors shall:

- (a) Regularly attend Board meetings and other important meetings of the Corporation;
- (b) Volunteer for and willingly accept assignments and complete them thoroughly and on time;
- (c) Stay informed about corporate matters, prepare well for meetings, and review and comment on minutes and reports; and
- (d) Actively participate in the Board's annual evaluation and planning efforts.

6.09 Conflict of Interest Policy

The Corporation and its directors, officers, committee members, and employees shall comply with the Corporation's Conflict of Interest Policy, attached to these bylaws as Exhibit A.

6.10 Authority of Board to Act

A majority of the number of directors then in office constitutes a quorum for transacting business at any Board of Directors meeting. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required for a quorum.

If a quorum is never present at any time during a meeting, the directors present may adjourn and reconvene the meeting without further notice.

ARTICLE 7 **BOARD MEETINGS**

7.01 Place of Board Meetings

Regular and special meetings of the Board will be held at the registered office of the Corporation or at any other place that the Board of Directors may designate, either within or without the State of Texas, for holding of the Annual Meeting and additional Regular Meetings of the Board of Directors without notice other than such resolution.

7.02 Regular Board Meetings

The Board shall provide for regular Board meetings by resolution or any other reasonable method stating the time and place of such meetings. Notice of the date, time, and place of regular Board meetings shall be given to each director by regular mail, telephone (including voicemail), facsimile, or email no less than two (2) days prior to the meeting, nor more than thirty (30) days prior to the date of the meeting.

7.03 Special Board Meetings

Special Board meetings may be called by, or at the request of, the President or any two directors. Written or printed notice of any special meeting of the Board will be delivered to each director not less than two (2) days, nor more than thirty (30) days before the date of the meeting. The notice will state the place, day, and time of the meeting; who called it; and the purpose or purposes for which it is called. The notice may be delivered personally, or sent by mail, facsimile, or e-mail to each director at the address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage there on prepaid. Any director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The person or persons calling a special meeting shall give notice to all other directors, as these bylaws require.

ARTICLE 8 **OFFICERS**

8.01 Officer Positions

The Corporation shall have a President, First Vice President – Community Service, Second Vice President-Ways & Means, Third Vice President – Programs/Workshops, Fourth Vice President –

Membership, Fifth Vice President – Finance, Sixth Vice President – Show, Seventh Vice President – Education, and Secretary. The Corporation may have, at the discretion of the Board, such other officer positions as may be created by the Board from time to time. No two (2) offices may be held by the same person.

8.02 Election and Term of Office

Officers will be nominated by the Nominating Committee. The proposed slate of officers shall be published in the May edition of the Guild newsletter, and the Nominating Committee shall present the proposed slate of officers to the Guild members at the annual meeting of members in May, at which time additional officer nominations may be made from the floor. No nominations shall be made without the consent of the nominee.

Voting shall be by written ballot. Ballots shall be made available to members by separate mailing in July and made available at the Regular Meeting of the members of the Guild in July. The ballots must be returned no later than July 31. The election of officers shall be by the majority of votes cast.

Officers shall hold office until the expiration of their term. Term of office shall be from September 1 through August 31. Any term in excess of six (6) month shall be considered a full term.

No person holding an officer position shall be eligible to serve more than two (2) consecutive terms in the same office.

8.03 Removal of Officers

Any officer elected or appointed may be removed by an action of the Board of Directors without cause, at any time. Any officer under consideration of removal must first be notified about the consideration by written notice at least five [5] days prior to the meeting at which the vote takes place. Such written notice shall also be provided to the Board prior to the vote on the matter. An officer who has been removed shall have a duty of confidentiality to the Corporation, and shall not make statements in violation of this duty or with the purpose of disparaging the Corporation.

8.04 Vacancies

Any vacancy occurring on the Board of Directors shall be elected by the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office. The Board of Directors shall provide written notice in the Guild newsletter, on the website, or via e-mail of the vacant position thirty (30) days prior to the vote, for the purpose of soliciting nominations. If the Board of Directors is not able to fill the vacancy, the position will remain vacant until such time as filled, and the standing committees will report to the Board of Directors.

8.05 Resignation of Officer

Any officer may resign from office by delivering written resignation to the President or Secretary of the Corporation, and unless otherwise specified, such resignation shall be effective immediately upon delivery to the President or Secretary of the Corporation. An officer whose resignation is effective shall have a duty of confidentiality to the Corporation, and shall not make statements in violation of this duty or with the purpose of disparaging the Corporation.

8.06 President

The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. The President shall preside at all meetings of the members and of the Board of Directors, and shall also preside at all Executive Committee meetings. Except for the Nominating Committee, the President shall serve as ex-officio member of all committees. The President may sign, in the absence of the Fifth Vice President - Finance, and, with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, may sign any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution there of shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the corporation. In addition, the President shall generally perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time, including but not limited to, establishing the schedule for Executive Committee Meetings; receiving annual reports of all officers and committee chairs at the Annual Meeting of the Board of Directors in August; calling additional meetings (as necessary); overseeing the responsibilities of the following Standing Committees: Growth and Development, Publicity, Nominating, and Historian; overseeing compliance with requirements for being a nonprofit organization; appointing the Parliamentarian; and creating any temporary committee for a specific purpose, which committee will cease to exist after its specific function is completed; shall train, identify, or make recommendations to the Nominating Committee of potential replacements for their position.

8.07 First Vice President – Community Services

In the absence of the President or in the event of the President's inability or refusal to act, the First Vice President - Community Services shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The First Vice President - Community Services shall act on behalf of the Guild as a liaison with other community service organizations and at functions as requested. The First Vice President - Community Services shall be in charge of collecting and reporting all volunteer hours recorded by the membership and shall coordinate activities related to donated items. The First Vice President shall also be responsible for performing other functions as assigned by the Executive Committee; shall train, identify, or make recommendations to the Nominating Committee of potential replacements for their position and prepare an Annual Report to be given to the President at the Annual Meeting of the Board of Directors in August.

8.08 Second Vice President – Ways & Means

In the absence of the President or First Vice President or in the event of their inability or refusal to act, the Second Vice President - Ways & Means shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Second Vice President - Ways & Means shall oversee revenue-generating activities. The Second Vice President- Ways & Means shall also be responsible for performing other functions as assigned by the Executive Committee; shall train, identify, or make recommendations to the Nominating Committee of potential replacements for their position and prepare an Annual Report to be given to the President at the Annual Meeting of the Board of Directors in August.

8.09 Third Vice President – Programs/Workshops

In the absence of the President, First Vice President or Second Vice President, or in the event of their inability or refusal to act, the Third Vice President - Programs/Workshops shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Third Vice President-Programs/Workshops shall be responsible for coordinating, arranging and following up on programs and workshops scheduled

throughout the fiscal year; arranging for programs and workshops beyond a specified term of office due to availability of speakers; coordinating advance notice of such programs and workshops with the chairs of Publicity, Newsletter Committee, and Website Committee; shall see that building/meeting room with equipment and amenities are prearranged as well as properly secured following the general meetings and workshops in accordance with the terms of the lease agreement. The Third Vice President- Programs/Workshops shall also be responsible for performing other functions as assigned by the Executive Committee; shall train, identify, or make recommendations to the Nominating Committee of potential replacements for their position and prepare an Annual Report to be given to the President at the Annual Meeting of the Board of Directors in August.

8.10 Fourth Vice President – Membership

In the absence of the President, First Vice President, Second Vice President or Third Vice President, or in the event of their inability or refusal to act, the Fourth Vice President - Membership shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Fourth Vice President-Membership shall be responsible for keeping an up to-date record of Guild members (including names, addresses, phone numbers, email addresses, and other pertinent information); maintain an accounting of the number of persons present at Guild meetings; providing the Directory Committee with a complete roster of Guild members by September 15 each year; forwarding dues received from Guild members to the General Treasurer. The Fourth Vice President - Membership shall oversee the responsibilities of the following Standing Committees: Internal Communications (Friendship Groups and Members-at-Large), Library, New Member Welcome, Newsletter, Web Site, and Directory. The Fourth Vice President - Membership shall also perform such other duties as from time to time may be assigned by the President or Board of Directors; shall train, identify, or make recommendations to the Nominating Committee of potential replacements for their position and prepare an Annual Report to be given to the President at the Annual Meeting of the Board of Directors in August.

8.11 Fifth Vice President – Finance

In the absence of the President, First Vice President, Second Vice President, Third Vice President, or Fourth Vice President, or in the event of their inability or refusal to act, the Fifth Vice President - Finance shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Fifth Vice President - Finance shall be responsible for all funds and securities of the corporation. In particular, the Fifth Vice President-Finance shall over see deposits and disbursements of all monies in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article 10 of these Bylaws; shall oversee the maintaining of all corporate financial records, having them ready for audit on request; shall review financial statements and present these statements every month to the Executive Committee; make quarterly reports available for Guild members and prepare an Annual Report to be given to the President at the Annual Meeting of the Board of Directors in August. The Fifth Vice President-Finance shall also conduct an inventory of guild property annually. The Fifth Vice President - Finance shall be chair of the Fiscal Committee and shall oversee the following Standing Committees: Fiscal Committee, General Treasurer, and Show Treasurer; shall train, identify, or make recommendations to the Nominating Committee of potential replacements for their position. A Fiscal Report shall be presented in condensed form at the Regular Meeting of Guild members in September.

8.12 Sixth Vice President – Show

In the absence of the President, First Vice President, Second Vice President, Third Vice President, Fourth Vice President, or Fifth Vice President, or in the event of their inability or refusal to act, the Sixth Vice President- Show shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Sixth Vice President - Show shall be responsible for the Guild's Annual Quilt Show by appointing and overseeing committees to execute each show. The Sixth Vice President - Show shall conduct meetings of the quilt show committees regularly and require reports from each committee chair at appropriate intervals; shall train, identify, or make recommendations to the Nominating Committee of potential replacements for their position; shall prepare an annual Quilt Show budget to be presented to the Fiscal Committee.

8.13 Seventh Vice President - Education

In the absence of the President, First Vice President, Second Vice President, Third Vice President, Fourth Vice President, Fifth Vice President, Sixth Vice President, or in the event of their inability or refusal to act, the Seventh Vice President – Education shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Seventh Vice President – Education shall oversee the responsibilities of the following Standing Committees: Endowment, Education, Cultural Affairs, and Exhibits. The Seventh Vice President – Education shall be responsible for performing other functions as assigned by the Executive Committee; shall train, identify, or make recommendations to the Nominating Committee of potential replacements for their position, and prepare an Annual Report to be given to the President at the Annual Meeting of the Board of Directors in August.

8.14 Secretary

The Secretary shall keep the minutes of the meetings of the members, of the Board of Directors, and of the Executive Committee in one or more books provided for that purpose; give all notices in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation, and affix the seal of the corporation on all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws; and, in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors. In particular, the Secretary shall be responsible for keeping a file of such correspondence of the Guild as is delegated by the President or the Board of Directors; maintaining a file of the general meeting minutes, Annual Meeting minutes and amended Bylaws in the corporate records; serving as custodian of all corporate documents; sending a copy of the minutes of the general meetings to the Newsletter Committee prior to newsletter deadlines; sending a copy of the minutes of Executive Committee meetings to all members of such committee; notifying the Executive Committee members of any special meetings of the Executive Committee; shall train, identify, or make recommendations to the Nominating Committee of potential replacements for their position, and prepare an Annual Report to be given to the President at the Annual Meeting of the Board of Directors in August.

8.15 Parliamentarian

The Parliamentarian shall be versed in the rules of parliamentary procedure in order to advise the President, the Executive Committee and Guild members on points of order and proper procedure according to the Guild Bylaws and Robert's Rules of Order, Newly Revised. The Parliamentarian shall act in an advisory capacity only, without voting privileges, on the Executive Committee.

ARTICLE 9

COMMITTEES

9.01 Establishing Committees

The Board may adopt a resolution establishing one (1) or more committees, delegating specified authority to a committee, and appointing or removing members of a committee.

Establishing a committee or delegating authority to it will not relieve the Board or any individual director of any responsibility imposed by these bylaws or otherwise imposed by law. No committee has the authority of the Board to:

- a. Amend the Articles of Incorporation;
- b. Adopt a plan of merger or of consolidation with another corporation;
- c. Authorize the sale, lease, exchange, or mortgage of all or substantially all of the Corporation's property or assets;
- d. Authorize voluntary dissolution of the Corporation;
- e. Revoke proceedings for voluntary dissolution of the Corporation;
- f. Adopt a plan for distributing the Corporation's assets;
- g. Amend, alter, or repeal these bylaws;
- h. Elect, appoint, or remove a member of a committee or a director or officer of the Corporation;
- i. Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as described in these bylaws;
- j. Set policies for the Corporation;
- k. Set requirements for directors; or
- l. Take any action outside the scope of authority delegated to it by the Board.

9.02 Authorization of Committees

The Board may from time to time designate and appoint special, standing, or temporary committees by action of the Board. Such committees shall have and exercise such prescribed authority as is designated by the Board. The directors may authorize these committees to exercise any powers, responsibilities, and duties consistent with the Articles of Incorporation and these bylaws.

9.03 Notice of Committee Meetings

Written or printed notice of a committee meeting shall be delivered to each member of a committee not less than seven (7) days, nor more than thirty (30) days before the date of the meeting. The notice will state the place, date, and time of the meeting, and the purpose or purposes for which it is called. Notice may be delivered personally, given by regular mail, or by e-mail or website announcement. If mailed, the notice of the committee meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at the address as it appears on the records of the corporation, with postage there on prepaid. If given by e-mail, a notice is deemed delivered when sent, unless message comes back saying it was not delivered.

9.04 Executive Committee

The Executive Committee shall consist of the elected officers and standing committee chairs. Each member of the Executive Committee shall have one vote on each matter submitted to a vote of the Committee. Any Guild member may attend Executive Committee meetings, but shall not have voting privileges. The Executive Committee shall meet monthly, as deemed necessary by the Guild President, at a designated location. Notice of the Executive Committee meetings and their location shall be published in the Guild newsletter, by e-mail, or website announcement. The Guild President may also call one or more special meetings of the Executive Committee after

notice to Executive Committee members by the President. Attendance by the elected officers of the Guild shall be mandatory at all Executive Committee meetings. Any elected officer missing more than two (2) consecutive Executive Committee meetings may be replaced at the discretion of the Board of Directors. The general duties of the Executive Committee shall consist of acting for the Guild in the event of an emergency; controlling matters relating to the management and development of the Guild; authorizing non-budgeted expenditures of funds, and approving the Guild budget for the coming term.

9.05 Standing Committees

In addition to the Executive Committee, the Guild shall have certain standing committees on Cultural Affairs, Directory, Education, Endowment, Exhibits, Fiscal, General Treasurer, Growth and Development, Historian, Internal Communications, Library, New Member Welcome, Newsletter, Nominating, Publicity, Show Treasurer, and Website. The chair of each such committee, with the exception of the Fiscal Committee, shall be appointed by the Board of Directors and shall thereafter appoint working members to assist in the execution of the duties of such committee. It is not mandatory for Standing Committee Chairs to attend Executive Committee meetings, but they are encouraged to attend. The duties of each standing committee are as follows:

Cultural Affairs Committee: The Cultural Affairs Committee shall act on behalf of the Guild as a liaison with other community Arts and Cultural Organizations to enhance the visibility of the Guild in the Arts community. The Cultural Affairs Committee shall report to the Seventh Vice President – Education and shall provide the Seventh Vice-President-Education with an Annual Report at the Annual Meeting of the Board of Directors in August.

Directory Committee: The Directory Committee shall each year compile and print a directory consisting of a roster of Guild members, the currently-serving Guild officers and committee chairs, a copy of the current Guild Bylaws and organizational chart, and a description of membership benefits. The Directory Committee shall report to the Fourth Vice President - Membership and shall provide the Fourth Vice President - Membership with an Annual Report at the Annual Meeting of the Board of Directors in August.

Education Committee: The Education Committee shall be a source of information on quilting and the Guild and shall provide demonstrations of various phases of quilting to schools, church groups, public/civic organizations, and public events that are deemed appropriate. The Education Committee shall report to the Seventh Vice President – Education and shall provide the Seventh Vice-President-Education with an Annual Report at the Meeting of the Board of Directors in August.

Endowment Committee: The Endowment Committee shall be responsible for soliciting and reviewing applications for grants and presenting recommendations for same to the Guild, through the Executive Committee, for approval. The Endowment Committee may, in addition to the grant proposals, bring additional projects to the Executive Committee to be considered. The Endowment Committee shall report to the Seventh Vice President – Education and shall provide the Seventh Vice-President-Education with an Annual Report at the Annual Meeting of the Board of Directors in August.

Exhibits Committee: The Exhibits Committee shall be in charge of all exhibitions and displays, and will actively seek exhibition and display opportunities at public and corporate buildings, libraries, museums, art centers, and other suitable space that will bring the art and heritage of

quilt making to the public. The Exhibits Committee shall report to the Seventh Vice President – Education and shall provide the Seventh Vice-President-Education with an Annual Report at the Annual Meeting of the Board of Directors in August.

Fiscal Committee: The Fiscal Committee shall be composed of the Fifth Vice President - Finance as chair, the President, the Second Vice President - Ways & Means, Sixth Vice President - Show, the General Treasurer, the Show Treasurer, the Secretary, and one member-at-large. The Fiscal Committee shall meet annually with one meeting prior to the August Executive Committee meeting of each fiscal year to prepare and present a budget for the Guild to be approved at the August Executive Committee meeting and presented to the Guild members at the September Regular Meeting. The Fiscal Committee shall review the investment of funds and provide guidelines for future investments.

General Treasurer: The General Treasurer shall have charge and custody of the general fund revenue and shall deposit all such monies in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws. The General Treasurer shall disburse funds for general fund expense after approval by appropriate persons.

Growth and Development Committee: The Growth and Development Committee shall be responsible for initiating long-term goals and objectives for the growth of the Guild, shall serve in an advisory capacity to the Executive Committee, and shall report to the President and shall provide the President with an Annual Report at the Annual Meeting of the Board of Directors in August.

Historian: The Historian Committee shall keep a record of newspaper articles, photos, programs, and assorted memorabilia of the Guild's activities. The Historian Committee shall report to the President and shall provide the President with an Annual Report at the Annual Meeting of the Board of Directors in August.

Internal Communications Committee: The Internal Communications Committee shall serve as coordinator for Friendship Groups through the Group Leaders as well as Members-at-Large. The Internal Communications Committee shall be responsible for obtaining and maintaining membership rosters of the Friendship Groups, providing a copy of the rosters to the Fourth Vice President-Membership, and providing meeting schedules for the Friendship Groups to the Newsletter Committee for publication in the Guild newsletter. The Internal Communications Committee shall maintain a resource list of guild members who provide quilt-related services. The Internal Communications Committee shall report to the Fourth Vice President - Membership, and shall provide the Fourth Vice President - Membership with an Annual Report at the Annual Meeting of the Board of Directors in August.

Library Committee: The Library Committee shall maintain a lending library of quilt-related materials in the Guild library, shall prepare a list of new materials for the newsletter, shall provide materials at the Regular Meetings of the Guild members for the benefit of Guild Members, and shall keep records of Guild materials checked out and/or past due. The Library Committee shall report to the Fourth Vice President - Membership and shall provide the Fourth Vice President - Membership with an Annual Report at the Annual Meeting of the Board of Directors in August.

New Member Welcome Committee: The New Member Welcome Committee shall be responsible for organizing functions to orient new members to the guild, greeting visitors and new members at all Guild functions, introducing them to present Guild members and making

them feel welcome; and coordinating placement of new Guild members into a Friendship Group. The New Member Welcome Committee shall report to the Fourth Vice President -Membership, and shall provide the Fourth Vice President - Membership with an Annual Report at the Annual Meeting of the Board of Directors in August.

Newsletter Committee: The Newsletter Committee shall publish a newsletter notifying Guild members of general meetings, Friendship Group meetings, programs and workshops (coordinated with the Third Vice President-Programs/Workshops, and Publicity); shall submit the newsletter to the website committee for posting on the Guild website; shall publish the minutes or a summary of the minutes of the Regular Meetings of members, as provided by the Guild Secretary; shall publish in the June May edition of the Guild newsletter the proposed slate of officers compiled by the Nominating Committee, and shall solicit business ads for the Guild Newsletter as well as invoicing, recording and collecting payment for such ads;. The Newsletter Committee shall report to the Fourth Vice President - Membership, and shall provide the Fourth Vice President - membership with an Annual Report at the Annual Meeting of the Board of Directors in August.

Nominating Committee: The Nominating Committee shall consist of a chair and three Members-at-Large The Nominating Committee shall prepare and present the proposed slate of officers to the Guild members at the Annual Meeting in May, at which time additional officer nominations may be made from the floor. The Nominating Committee shall publish the candidates for each elected office in the JuneMay edition of the Guild newsletter. The Nominating Committee shall be responsible for providing written biographies of each nominee with the mailed ballot.. Ballots shall be mailed in June and will be available at the July meeting and must be returned no later than July 31. The Nominating Committee shall report to the President, and shall provide the President with a written election report in August, and communicate the results of the election to the membership at the August Regular Meeting, and publish the results in the September edition of the newsletter. The Nominating Committee shall also serve as the election tellers at any vote of the Guild members.

Publicity Committee: Publicity shall appoint, coordinate, and assign assistants to prepare publicity for Guild-sponsored activities, including programs, workshops and show, at the recommendation of the Executive Committee; shall keep a current file of available publicity sources with the names of key people and deadline dates; shall send information each month of Guild activities to as many news media as appropriate; shall maintain a record file of all published materials; and shall provide copies of published information with respect to the Guild to the Guild Historian. Publicity may include duties involved in solicitation of sponsorship for Guild activities. Publicity shall report to the President and shall provide the President with an Annual Report at the Annual Meeting of the Board of Directors in August.

Show Treasurer: The Show Treasurer shall have charge and custody of the show revenue and shall deposit all such monies in the name of the corporation in such banks, trust companies, or other depositors as shall be selected in accordance with the provisions of Article 10 of these Bylaws. The Show Treasurer shall disburse funds for show expenses after approval by appropriate persons.

Website Committee: The Website Committee shall maintain the Guild Website as directed by the Board of Directors. The Website Committee shall report to the Fourth Vice President - Membership, and shall provide the Fourth Vice President - Membership with an Annual Report at the Annual Meeting of the Board of Directors in August.

9.06 Special Committees

In addition to the standing committees, the Guild may have one or more special committees. The chair of each such special committee shall be appointed by the Board of Directors. It is not mandatory for Special Committee Chairs to attend Executive Committee meetings, but they are encouraged to attend. Special committees can be created or dissolved, as deemed necessary, by a majority vote of the Executive Committee.

9.07 Friendship Groups

In addition to Standing Committees and Special Committees, the Guild shall also consist of Friendship Groups, all members of which must be Guild members. Friendship Group Leaders shall be selected annually by the Friendship Group members and shall report to the Internal Communications Committee. Friendship Groups are responsible for submitting membership rosters, current leaders, and meeting information to the Internal Communications Committee by August 15. An individual belonging to any Friendship Group is responsible for compliance with required Guild membership.

ARTICLE 10
TRANSACTIONS OF CORPORATION

10.01 Contracts

The Board of Directors may authorize any officer or agent of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into a contract or execute and deliver any instrument in the name of, and on behalf of, the Corporation. This authority may be limited to a specific contract, instrument, or amount or it may extend to any number and type of possible contracts, instruments, or amounts.

10.02 Checks and Drafts

All checks, drafts, and orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by the Fifth Vice President – Finance, or by such other officer or officers, agent, or agents of the corporation in such manner as shall from time to time be determined by resolution by the Board of Directors. In the absence of the Fifth Vice President – Finance, the President shall sign all such instruments.

10.03 Deposits

All of the Corporation's funds shall be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board of Directors selects.

10.04 Gifts

The Board of Directors may accept, on the Corporation's behalf, any contribution, gift, bequest, or devise for the general purpose or any special purpose of the Corporation. The Board may make gifts and give charitable contributions not prohibited by these bylaws, the Articles of Incorporation, state law, and provisions set out in the federal tax law that must be complied with to maintain the Corporation's federal and state tax status.

10.05 Prohibited Acts

- a. A director, officer, employee, or committee member shall not act in violation of these bylaws or a binding obligation of the Corporation.
- b. A director, officer, employee, or committee member shall not act with the intention of harming the Corporation.

- c. A director, officer, employee, or committee member shall not engage in any act that would make it unnecessarily difficult or impossible to carry on the Corporation's intended or ordinary business.
- d. A director, officer, employee, or committee member shall not receive an improper personal benefit from the operation of the Corporation.
- e. A director, officer, employee, or committee member shall not use the Corporation's assets, directly or indirectly, for any purpose other than carrying on the Corporation's business.
- f. A director, officer, employee, or committee member shall not wrongfully transfer or dispose of Corporation property, including intangible property such as goodwill.
- g. A director, officer, employee, or committee member shall not use the Corporation's name, or any substantially similar name, or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of business.
- h. A director, officer, employee, or committee member shall not disclose any of the Corporation's business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE 11 **FISCAL RESPONSIBILITY**

11.01 Fiscal Year

The fiscal year of the Corporation shall begin on September 1 and end on August 31 of each calendar year.

11.02 Disbursement of Funds

Financial transactions which have a value of greater than five thousand dollars [\$5,000.00] shall require approval by an action of the Board of Directors. In all other transactions, the Treasurer may disburse the funds of the Corporation in accordance with the annual budget approved by the Board and the purposes of the Corporation as set out in the Articles of Incorporation and these bylaws. Notwithstanding the above, all checks in an amount greater than five thousand dollars [\$5,000.00] shall require two authorized signatures.

11.03 Annual Audit

The Board of Directors may, by resolution, hire an independent certified public accountant to audit and/or prepare the Corporation's financial statements.

11.04 Annual Dues

The Board of Directors may determine from time to time the amount of any initiation fee, guest fee, and the annual dues payable to the corporation by the members of each class.

The membership year is from September through August. Dues shall not be refundable. Dues shall be payable at the first Regular Meeting of Guild members in each fiscal year.

ARTICLE 12 **BOOKS AND RECORDS**

12.01 Required Books and Records

The Corporation shall keep correct and complete books and records, including:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including but not limited to, the Articles of Incorporation, any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent;
- (b) A copy of all bylaws, including these bylaws, and any amended versions of the bylaws or any amendments to the bylaws;
- (c) Minutes of the proceedings of the Board of Directors and committees having any of the authority of the Board;
- (d) A list of the names and addresses of the directors, officers, and committee members of the Corporation;
- (e) A financial statement showing the Corporation's assets, liabilities, and net worth at the end of the five [5] most recent fiscal years;
- (f) A financial statement showing the Corporation's income and expenses for the five [5] most recent fiscal years;
- (g) All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status; and
- (h) The Corporation's federal, state, and local tax information and income tax returns, for each the Corporation's five [5] most recent tax years.

12.02 Inspection and Copying

Any director, officer, or committee member of the Corporation may inspect and receive copies of all the corporate books and records required to be kept under these bylaws. Such a person may, by written request, inspect or receive copies if such person has a proper purpose related to such person's interest in the Corporation. The inspection shall take place at a reasonable time, no later than ten [10] business days after the Corporation receives a proper written request. The Board of Directors may establish reasonable copying fees, which may cover the cost of materials and labor. The Corporation shall provide requested copies of books or records no later than ten [10] business days after receiving a proper written request.

ARTICLE 13 **RULES OF PROCEDURE**

The proceedings and business of the Board of Directors and each committee shall be governed by the Tenth Edition of Robert's Rules of Order (or a subsequent edition as it is published), unless otherwise provided herein.

ARTICLE 14 **SPECIAL PROCEDURES CONCERNING MEETINGS**

14.01 Meeting by Telephone, Video Conference, Webcasts, Instant Messenger, or E-Mail

The Board of Directors and any committee of the Corporation may hold a meeting by telephone conference call procedures, videoconference, webcasts, internet instant messaging, or e-mail communication. In all meetings held in a manner provided for in this subsection, matters must be arranged in such a manner that all persons participating in the meeting can communicate with each other; a director's participation in a meeting held in a manner provided for in this section constitutes that director's presence at the meeting.

14.02 Notice

Any notice required or permitted by these bylaws to be given to a director, officer, or committee member of the Corporation shall be given by regular mail, telephone (including voicemail), facsimile, or e-mail. If mailed, a notice is deemed delivered when deposited in the mail addressed to the person at his or her address as it appears in the corporate records. If given by e-mail, a notice is deemed delivered when sent, unless message comes back saying it was not delivered.

14.03 Signed Waiver of Notice

Whenever any notice is required by law or under the Articles of Incorporation or these bylaws, a written waiver signed by the person entitled to receive such notice is considered the equivalent to giving the required notice. A waiver of notice is effective whether signed before or after the time stated in the notice being waived.

14.04 Waiving Notice by Attendance

A person's attendance at a meeting constitutes waiver of notice, unless the person attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE 15
INSURANCE AND INDEMNIFICATION

15.01 Insurance

The Corporation may provide directors' and officers' insurance as well as general liability insurance that will provide coverage for volunteers, employees, directors, officers, and committee members of the Corporation. In addition, the Board may, by resolution, adopt any other insurance policies it deems necessary.

15.02 Indemnification of Directors or Officers

To the extent permitted by law, any person (and the heirs, executors, and administrators of such person) made or threatened to be made a party to any action, suit, or proceeding by reason of the fact that he or she is or was a director or officer of the Corporation may be indemnified by the Corporation against any and all liability and reasonable expenses, including attorney's fees and disbursements incurred by him or her (or by his or her heirs, executors, and administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein.

15.03 Limits on Indemnification

Notwithstanding the provisions in section 15.02, the Corporation may indemnify a director or officer only if he or she acted in good faith and reasonably believed that his or her conduct was in the Corporation's best interest. In the case of a criminal proceeding, the director or officer may be indemnified only if he or she had reasonable cause to believe his or her conduct was lawful.

ARTICLE 16
AMENDING BYLAWS

These bylaws may be altered, amended, or repealed and new bylaws may be adopted by an action by a 2/3 vote of the Board of Directors with a quorum being present. The Board of Directors must provide written notice to Guild members that an amendment to the bylaws is to be considered and the text of such amendment is included in the notification. This notice must be given thirty (30) days prior to the vote on the proposed amendment to the bylaws. Notice will be given by newsletter announcement, e-mail, website announcement, or General Meeting announcement.

ARTICLE 17
GENERAL PROVISIONS

17.01 Governing Law

These bylaws shall be construed under Texas law. All references in these bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

17.02 Legal Construction

To the greatest extent possible, these bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions that may be available to nonprofit corporations. If any bylaw provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not effect any other provision, and the bylaws shall be construed as if they had not included the invalid, illegal, or unenforceable provision.

17.03 Headings

The headings used in these bylaws are for convenience and shall not be considered in construing these bylaws.

17.04 Number

All singular words include the plural, and all plural words include the singular.

17.05 Power of Attorney

A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the Secretary to be kept with corporate records.

17.06 Parties Bound

These bylaws will bind and inure to the benefit of the directors, officers, committee members, employees, and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors, and assigns, except as these bylaws otherwise provide.

CERTIFICATION

I certify that I am the duly elected and acting President of Quilter's Guild of Dallas, Inc. and that these bylaws constitute the Corporation's bylaws. These bylaws were duly adopted at a meeting of the Board of Directors held on October 25, 2009

Marcia Hampton
President

August 27, 2009
Date

EXHIBIT A
CONFLICT OF INTEREST POLICY

1. Purpose

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

2. Definitions

- a. **Interested Person.** Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - i. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
 - ii. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
 - iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.
- c. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- d. A financial interest is not necessarily a conflict of interest. In accordance with this Conflict of Interest Policy, a person who has a financial interest shall have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

3. Procedures

- a. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. **Procedures for Addressing the Conflict of Interest.**
 - i. 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.

- ii. After exercising due diligence, the governing board or committee shall determine whether the Organization 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.
- iii. 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 Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

d. **Violations of the Conflicts of Interest Policy**

- i. 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.
- ii. 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.

4. Records or Proceedings

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

- a. The names of the persons who disclosed or otherwise were found to have 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.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

5. Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

6. Annual Statements

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

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

7. Periodic Reviews

To ensure the Organization 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:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization'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.

8. Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization 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.

By signing below, each director signifies that he or she has read, understands, and consents to compliance with this Conflict of Interest Policy.

Director

Director

Director

Director

EXHIBIT B
PROCUREMENT POLICY

The following policies and procedures shall be followed when the Corporation purchases equipment, materials, supplies, property, or services from an outside source.

1. General Policy

- a. **No Conflict of Interest.** All directors, officers, employees, or agents who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services must comply with the Corporation's conflict of interest policy. No director, employee, or agent will participate in the selection or acceptance of a contract involving a conflict of interest without approval of the Board of Directors. "Conflict of interest" includes situations in which the employee, family member, or Board member has a financial interest in the business or individual selection for the contract.
- b. **No Purchase of Items for Personal Use.** No director, officer, employee, or agent who participates in the selection or acceptance of a contract for equipment, materials, supplies, or services shall use such items for personal use.
- c. **No Receipt of Gratuities.** No director, officer, employee, or agent shall solicit or accept gratuities, favors, or anything of value from contractors, potential contractors, or parties to agreements with the Corporation.
- d. **No Purchase of Items Not Approved in the Budget.** No director, officer, employee, or agent shall purchase any equipment, materials, supplies, or services that have a cost in excess of five thousand dollars [\$5,000] if such equipment, materials, supplies, or services have not been approved by the Board of Directors in the annual budget or by resolution of the Board.
- e. **Document Cost Analysis.** The Corporation shall conduct a cost analysis in conjunction with every purchase over ten thousand dollars [\$10,000] and document the analysis in the procurement files in conjunction with such purchase. The procurement file should include a justification for the lack of completion if competitive bids are not obtained.
- f. **Contract with Winning Bidder.** If a contract is competitively bid, the Corporation will enter into a contract with the winning bidder that specifies the equipment, materials, supplies, property, or services to be purchased and the payment terms.
- g. **Evaluate Each Contractor.** The Corporation will evaluate each contractor at the completion of each contract. The evaluation will be utilized to make decisions to award future contracts.

2. Acquisition Procedure

The Corporation will conduct all procurement transactions in a manner that maximizes opportunities, increases quality, and reduces the cost of purchases. The Corporation reserves the right to reject any bids or offers, if deemed to be in its best interest.

- a. **Pricing Procedures.** One of the following procurement procedures shall be utilized for all purchases of equipment, materials, supplies, property, or services involving amounts over ten thousand dollars [\$10,000]:

- i. **Open Market Inquiry.** The Corporation will inquire in the open market to ensure an advantageous price and quality. The file shall document the inquiries made and offers received.
 - ii. **Request for Competitive Quotes.** The Corporation will request competitive quotes, orally or in writing, from at least three [3] different sources. The file shall document each invitation made and offer received.
 - iii. **Formal Proposal Procedure.** The Corporation will solicit competitive responses through a formal bid procedure. Bids will remain sealed until the time designated in the proposal.
- b. **Document Prices.** The Corporation shall maintain files on all quotations solicited and offers or bids received and any criteria for selection. In all instances in which the lowest bid is not awarded in the contract, justification for the selection must be contained in the file.
 - c. **Purchases over \$5,000.** The Board of Directors must approve purchases over five thousand dollars [\$5,000].
 - d. **Two Signatories on Checks.** There must be two authorized signatures on all checks for purchases over five thousand dollars [\$5,000].

3. Property and Equipment Policy

When purchasing property, both real estate and equipment, the following procedures must be followed:

- a. **Title in the Name of the Corporation.** All property purchased belongs to the Corporation and title vests with the Corporation.
- b. **Property Inventory.** A list of all property owned by the Corporation shall be kept showing the type of property, identification number, original cost, and depreciated value. The inventory list must be completed at the time of purchase and annually at the end of the Corporation's fiscal year.
- c. **Insurance Coverage.** The Corporation may maintain insurance coverage for all property owned by the Corporation and maintain documentation of each policy.