

Adopted \_\_\_\_\_

LAWS OF THE  
ZUMBROTA AREA ARTS COUNCIL, INC.

Non-profit tax-exempt organization duly incorporated under the laws of the State of Minnesota, on September 4, 1997. Corporate charter number: 1Q-237

ARTICLE I

PURPOSE: See Articles of Incorporation.

ARTICLE II

OFFICE: See Articles of Incorporation.

ARTICLE III

COUNCIL MEMBERSHIP:

Section 1.) QUALIFICATIONS: Membership in this corporation shall be open to anyone who shares the goals of this corporation, upon payment of annual membership fees, with no limit placed on number of members. No refunds will be given on membership fees for any reason. Membership shall run ~~from September 1 to August 30 of each year for one calendar year (12 months.)~~ commencing on the date of initial payment of annual membership fees. Membership classes, fees, dues, and benefits will be determined by the Board of Directors.

Section 2.) POWERS: Each member in good standing shall have one (1) vote on any issue brought before the general membership. No member, regardless of dues paid or contributions made, shall be entitled to more than one (1) vote.

Section 3.) MEETINGS: An annual meeting of the membership shall be held ~~in September~~ of each year for the purpose of electing and/or re-electing the Board of Directors, updating the membership on the Council's budget and activities, and conducting other business of the corporation. Public notice stating date, place, and hour of meeting shall be given not less than fourteen (14) days prior to said meeting. All meetings of the membership shall be held at a place designated by the Board of Directors. Members are welcome at meetings of the Board of Directors, but will not have voting powers.

Section 4.) SPECIAL MEETINGS: Special meetings of the membership may be called at any time on the request of the President, or a majority of the members of the Board of Directors, or upon a request in writing to the President or the Board of Directors by one-tenth (1/10) of the membership. Business transactions at all special meetings shall be confined to the purpose for which the meeting is held.

Section 5.) QUORUM: The presence of a simple majority of members of this corporation entitled to vote at a meeting shall constitute a quorum for the transaction of business at annual or special meetings.

Section 6.) TERMINATION: The Board of Directors, with unanimous approval only, can rescind any membership based on activities deemed contrary or harmful to the purposes of this corporation.

ARTICLE IV  
BOARD OF DIRECTORS:

Section 1.) POWERS: The general policy-making function and control, as well as the property, funds, and business of this corporation shall be managed by the Board of Directors. They shall guide, direct, and plan activities in accordance with the Articles of Incorporation. They shall elect officers, whose duties are defined in Article V of these by-laws. Any projects, grants, programs, workshops, demonstrations, or other activities sponsored in any way by this corporation must first be subjected to review and consent by the Board of Directors. All literature and press releases representing the Council may be reviewed by the Board of Directors, unless said review is required by a quorum of the Board ~~must be reviewed and accepted by at least two (2) members of the Board.~~

Section 2.) NUMBER: The number of directors shall be no fewer than five (5), and no more than nine (9).

Section 3.) ELECTIONS: Directors shall be elected at the annual membership meeting by a majority vote of members attending.

Section 4.) TERMS: Each Director shall serve until a successor is elected.

Section 5.) LIMIT ON TERMS: A director may not serve more than one term ~~two consecutive terms~~. After serving this limit, an individual must wait one (1) year before becoming eligible for office again. An exception will be made for a director elected to fill a vacancy, who may subsequently be elected to serve one additional full term ~~two full terms~~. Terms of the first concurrent five directors will be thus: 2 directors with 3 year terms, 2 directors with 2 year terms, and 1 director with a 1 year term. Thereafter, each director will serve a 6-year term ~~3-year term~~.

Section 6.) VACANCIES: Any vacancy on the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors. Any director elected to fill a vacancy shall fulfill the unexpired term of his predecessor.

Section 7.) EXPENSES: No compensation will be paid to any member of the Board of Directors, except by formal action of the board. Reasonable expenses may, by resolution of the board, be allowed for services rendered.

Section 8.) MEETINGS AND NOTICE: The Board of Directors shall meet regularly no less than six (6) times each fiscal year. The specific time and place of these meetings will be determined by the board. Notice of all meetings will be announced at least five (5) days in advance. Exceptions are special board meetings, which may be called by the President or a majority of the Board members.

Section 9.) QUORUM: At all meetings of the Board of Directors, a simple majority of the full membership of the board shall constitute a quorum. A Director may participate in a meeting of the Board of Directors by electronic means, including participation by telephone. No more

than two (2) Directors may participate in a meeting by electronic means, or as allowed by the President.

Section 10.) DIRECTOR CONFLICTS OF INTEREST: This corporation shall demand the highest ethical conduct of its Board of Directors. This corporation shall not enter into any contract or transaction with (a) one or more of its directors, (b) a director of a related organization, or (c) an organization in or of which a director is a director, officer or legal representative, or has a material financial interest, unless the material facts as to the contract or transaction and the director's interest are fully disclosed or known to the Board of Directors, and the Board of Directors authorizes said contract or transaction in good faith by the affirmative unanimous vote (excluding the director/s in question) of all members of the board. Failure to comply with these provisions shall not invalidate any contract or transaction to which this corporation is a party.

Section 11.) TERMINATION: The Board of Directors shall have the right to remove any board member for any reason deemed detrimental to this corporation. Such action shall require a two-thirds (2/3) majority vote of the full Board of Directors, either in person or by proxy. A board member's failure to attend 3 consecutive board meetings constitutes grounds for dismissal from the board.

#### ARTICLE V OFFICERS:

Section 1.) NUMBER AND TITLES: The officers of this corporation shall be: President, Vice President, Secretary, and Treasurer, ~~and Executive Director.~~

Section 2.) ELECTIONS, TERMS, VACANCIES: Officers shall be elected by the Board. All Officers shall be members of the Board of Directors. Officers shall be elected to serve a one (1) year term. Vacancies may be filled at any meeting by the Board of Directors. Any action that may be taken at a regular or special meeting may be taken by a written ballot without a meeting. Absentee voting will be allowed, with procedures specified by the Board of Directors. The duties of any officer can be delegated by action of the Board of Directors.

Section 3.) REMOVAL: An officer may be removed by a simple majority vote of the Board of Directors for any reason they find sufficient.

Section 4.) PRESIDENT: The President shall represent the official decisions and purposes of this corporation. The President shall provide at each annual meeting a report on the actions of the board. The President shall function as Chairman of the Board, and will preside over meetings of the board and the membership.

Section 5.) VICE PRESIDENT: In the absence of the President, the Vice President shall assume the role of President, and any other duties assigned by the board.

Section 6.) TREASURER: The Treasurer shall keep a full and accurate account of all monies received and paid out, and maintain sound fiscal controls. Deposits of this corporation shall be made into a separate account from any personal accounts, payments of debts made, and a complete report rendered at each meeting of or request by the board, including annual meetings. All payments from a corporate account which exceed the board

approved budget may have two signatures of executive officers, if required by the President. All checks over \$150 drawn on the corporation's accounts shall have 2 signatures of executive officers. All withdrawals must be used for the stated purposes of this corporation, and be based on approved expenditures by the Board of Directors.

Section 7.) SECRETARY: The Secretary shall keep all correspondence, accurate minutes and reports of meetings, deliver agendas, provide due notice of meetings, conduct the correspondence of this corporation, and perform other appropriate duties as requested by the President.

~~Section 8.) EXECUTIVE DIRECTOR: The executive director shall be a voting member of the Board as long as the office is not salaried. The Executive Director shall plan, direct and implement administrative functions of the ZAAC in accordance with its bylaws.~~

Section 8 9.) NEPOTISM: No more than one member of an immediate family may serve on the Board of Directors at the same time, and in no instance shall the President and the Treasurer belong to the same immediate family, or be the same person.

#### ARTICLE VI COMMITTEES

No committee will be recognized without a Board member serving on the committee. Current and past Board Directors may serve on a committee. All committees shall have a liaison to the Board of Directors. The liaison shall present committee reports to the Board of Directors as requested by the Board.

Committees can include, but are not limited to:

- Finance and Fund-raising (finding and writing grants, making connections)
- Membership (finding new members, keeping old ones, for all parts of the corporation)
- Exhibits (rotating, sharing, special outreach programs)
- Gallery (how to run, keeping organized, sales, hours, exhibit duration)
- Jurying (setting criteria, "raising the tide", balancing)
- Education (classes, demos, workshops, interns, readings, slide shows, etc.)
- Publicity (tourism, polls, brochures, event promotion, general PR, coalitions)
- Steering (advice, new board members, review, future vision and goals)
- Theater (play selection, project organization, production)
- State Theater (building, maintenance, ongoing projects and proposals)

#### ARTICLE VII FISCAL YEAR:

The fiscal year shall be from January 1 through December 31 of each year. ~~The membership year shall be from September 1 through August 30 of each year.~~

#### ARTICLE VIII BY-LAW REVISION:

These by-laws may be amended or altered by the Board of Directors, subject to ratification and approval by two-thirds (2/3) of the voting members present at a scheduled membership meeting.

## ARTICLE IX AUDITS

The President shall arrange for timely audit of the books, or at any time requested by the Board of Directors, or as required by applicable law or regulation.

## ARTICLE X MISCELLANEOUS

### Section 1.) ELECTRONIC VOTING COMMUNICATIONS:

Voting by the ~~Board of Directors~~ or General Membership through the use of electronic media (conference calls, teleconferencing, and fax transmission, etc.) which takes place without a physical meeting shall require a written ballot, a written vote and signature, date of vote, and the vote must be unanimous .

Section 2.) ABILITY TO BORROW: No director, officer, agent, or employee of this corporation shall have any power or authority to borrow money on its behalf, to pledge its credit or to mortgage or pledge its real or personal property, except within the scope and the extent of the authority delegated by written resolution of the Board of Directors. Authority granted may be general or limited.

Section 3.) EQUAL OPPORTUNITY: This corporation shall not discriminate in provision of services or employment, or selection of members or Board Members, on the basis of race, color, sex, religion, creed, national origin, lifestyle, sexual preference, physical disability, age, income or country of origin.

Section 4.) INSURANCE: This corporation may, to the full extent permitted by applicable law, purchase and maintain insurance on behalf of any person who is or was a director, officer, volunteer, or committee member, against any liability asserted against such person and incurred by such person in any such capacity.

## Articles of Incorporation Zumbrota Area Arts Council

We, the undersigned, in order to form a corporation under Minnesota Statutes Chapter 317A, known as the Nonprofit Corporation Act, do adopt the following articles of incorporation:

### ARTICLE I-- Name

The name of the corporation is: Zumbrota Area Arts Council, also known as "ZAAC".

### ARTICLE II -- Purpose

The purpose of this corporation is educational and artistic development. It will strive to: encourage participation in the Arts by all; enhance the general public's awareness and appreciation for the Arts through educational programs and Arts-related activities; cultivate local talent by providing exposure opportunities for local artists; cooperate with local schools and other organizations who share this purpose.

### ARTICLE III -- Office

The registered office of this corporation shall be 96 East 4<sup>th</sup> Street, PO Box 45, in the city of Zumbrota, MN, 55992.

### ARTICLE IV-- IRS Prohibitions

This corporation shall not distribute any part of its earnings to its members, officers, or other private persons, except to make reasonable compensation for services rendered, and to make payments and distributions in furtherance of the purposes set forth in Article II hereof.

This corporation shall not attempt to influence legislation or participate in any political campaign.

This corporation shall not carry on any other activities not permitted to be carried on (A) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1998 as now enacted or hereafter amended, or (B) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1998, as now enacted or hereafter amended.

### ARTICLE V -- Directors

The management and control of the property and affairs of this corporation shall be vested in a Board of Directors. The number of Directors shall be no fewer than five (5), and the members shall be eighteen (18) years of age or older.

### ARTICLE VI -- Personal Liability

Neither the members nor the directors of this corporation shall be personally liable for the corporation's obligations or debts, except that a member shall be personally liable for his own fraud.

### ARTICLE VII - Equal Opportunity

This corporation shall not discriminate in provision of services or employment, or selection of its members or board members, on the basis of race, sex, religion, national origin, physical ability, age, or income.

#### ARTICLE VIII -- Dissolution

Upon dissolution of this corporation, the debts and expenses of the corporation shall first be paid. Remaining assets shall be distributed for purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, with preference towards an organization(s) with similar purposes to this corporation. If such an organization cannot be agreed upon, assets shall be distributed to a local, county, state, or federal government, to be used exclusively for public purposes.