

By-Laws of Pastel Society of Maine

1. PURPOSE:

Pastel Society of Maine is a non-profit, public benefit organization incorporated under the laws of the state of Maine promote the arts and to provide other charitable and educational services, all within the meaning of §501(c)(3) of the Internal Revenue Code of the United States.

2. MEMBERS:

There shall be two categories of members: Regular Members (hereinafter referred to simply as “members”) and Signature Members.

The Incorporator will appoint the initial members of the Corporation. After that, anyone may apply in writing to the Board of Directors to become a member; but no one shall become a member unless at least 2/3 of the Directors on the Board of Directors vote in favor of the new member. In addition, the Board of Directors may remove a person from membership if at least 2/3 of the Directors on the Board of Directors vote in favor of removing them from membership.

Members shall be required to pay an annual membership fee, to be established by the Board of Directors. Any member who fails to pay that membership fee within thirty (30) days of receiving notice to pay that fee shall automatically lose his/her membership in the corporation.

Members shall be entitled to cast one vote on all issues voted upon at meetings of the members. All issues shall be decided by majority vote of the members.

The members shall elect the Directors, to serve on the Board of Directors, by majority vote each year at the annual meeting of the members. The annual meeting shall be held in December, at a time and place announced by the Clerk.

The Board of Directors may call additional, special meetings of the members at any time and for any reason.

All members shall be given actual notice of all meetings of the members. The members may only vote on the issues listed in the meeting notice.

The President of the corporation, or his/her designee, shall preside over all meetings of the members, and shall establish the rules for conducting the meeting.

Those members who exhibit their works in at least three international shows per

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year may apply in writing to the Board of Directors to become Signature Members; but no member shall become a Signature Member unless at least 2/3 of the Directors on the Board of Directors vote in favor of recognizing them as a Signature Member. In addition, the Board of Directors may remove a person from Signature membership if at least 2/3 of the Directors on the Board of Directors vote in favor of removing them from Signature membership.

Any Signature Member who loses his/her membership in the corporation shall no longer be a Signature Member of the corporation..

Being a Signature Member is a special, honorary title; but Signature Members shall have no additional rights or powers, other than their rights and powers as members.

3. BOARD OF DIRECTORS:

Governing Body: The Board of Directors shall govern the corporation.

Qualifications: Any individual may be elected to the Board of Directors. However, no more than forty-nine percent (49%) of the individuals on the Board may be “financially interested persons”... meaning that the individual, his spouse, brother, sister, parent, or child has received any compensation from the corporation for personal services rendered to the corporation within the previous twelve (12) months, whether as an employee, independent contractor or consultant.

Number of Board Members: There shall be at least three (3) Board members and at most fifteen (15) Board members at all times.

Powers: The Board of Directors has all of the powers of the corporation. While the Board may delegate some powers and responsibilities to the officers, the officers are, at all times, subject to the direction and control of the Board of Directors.

Duties: Each Director has a duty to act:

(a) in good faith; (b) with ordinary prudent care; and (c) in the best interest of the corporation.

Committees: The Board of Directors may, from time to time, establish advisory committees to research and make proposals to the Board on various issues. At least one Board member must serve on each such committee, and the chairman must be a Board member. The chairman will keep minutes of all committee meetings, and shall report all findings and advice of the committee to the Board. The committees shall be advisory

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only, and shall have no power to make decisions on behalf of the corporation or to make any legal obligations on behalf of the corporation.

4. CHAIRMAN OF THE BOARD:

The President of the corporation shall serve as the Chairman of the Board of Directors. The chairman shall run all Board meetings. If the chairman is absent from a meeting of the Board, the Board shall elect a temporary vice-chairman for the purpose of presiding over that meeting.

5. MEETINGS OF THE BOARD OF DIRECTORS:

Meetings of the Board of Directors may be called at any time by the chairman or by two or more other directors. Notice stating the time, place and manner of the meeting of the Board of Directors must be given to each director, by any means reasonably calculated to apprise the directors, at least three (3) days in advance of the meeting. Notice may be waived by a director at any time, either before or after a meeting of the Board of Directors.

Meetings of the Board may be held by telephone conference call, so long as all Board members can hear each other.

6. VOTES OF THE BOARD OF DIRECTORS:

Quorum of Directors: At least two thirds (2/3) of the Board members must be present to constitute a quorum. No business shall be conducted at a meeting of the Board of Directors unless a quorum of the directors is present.

Board Votes: No action of the Board of Directors shall be of any legal force or effect unless at least two thirds (2/3) of the directors present at a valid meeting of the Board of Directors votes in favor of the action. No proxies or absentee ballots will be

allowed.**Conflict of Interest:** In any matter involving a director or officer, a family member of a director or officer, or any matter in which a director or officer has a direct or indirect financial interest, that director or officer will have to leave the room during any discussion by the Board on that matter and during the vote by the Board on that matter, and may not participate in any discussions or votes on that matter. However, before leaving the room, the Board member or officer with the conflict must fully disclose his conflict to the Board. Thereafter, the Board may vote in a way that would benefit the

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absent director or officer only if the measure would be fair and equitable to the corporation and would be in the best interest of the corporation.

7. OFFICERS:

The Board of Directors shall appoint a president, secretary, treasurer, and as many vice presidents as the Board deems necessary and appropriate. An individual may hold more than one office. All officers shall be appointed annually, at the first meeting of the Board each year, unless an officer resigns or is removed by the Board prior to the next date scheduled for the appointment of officers.

All officers are required to act:

(a) in good faith; (b) with ordinary, prudent care; and (c) in the best interest of the corporation.

8. POWERS OF THE OFFICERS:

The officers shall have any and all ministerial powers which the Board of Directors delegates to the officers. In addition to any powers expressly delegated to the officers by the Board of Directors, the officers shall have the following powers and duties.

President: The president shall have any and all powers and responsibilities to manage the daily affairs of the corporation. He will be responsible for signing all legal documents on behalf of the corporation.

Vice President(s): A vice president shall have only those powers and responsibilities which are expressly delegated to him by the Board of Directors or which are expressly delegated to the vice president by the president. The vice presidents, acting jointly, are also empowered to exercise any and all powers of the president when the president is ill, on vacation, resigns, or is otherwise unavailable to tend to the affairs of the corporation.

Treasurer: The treasurer shall be empowered and have the responsibility

to manage the financial affairs of the corporation. He shall keep a book of accounts in which he will record all financial matters of the corporation.

In addition, the Treasurer will file the corporation's 990, 990-EZ, 990-N, or 990-PF

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return, and its 990-T and 1120-ME returns, as necessary, by April 1 of each year.

Finally, the Treasurer shall be responsible for sending donors written acknowledgments of their donations, as set forth in section 12 of these By-laws.

Secretary: The secretary shall keep a book in which he shall record the votes and minutes of all meetings of the Board of Directors. He shall count all votes at the meetings of the Board of Directors. He shall notify the directors prior to meetings of the Board of Directors.

All officers shall report to the Board concerning the activities within their departments prior to each Board meeting.

9. CLERK:

The Board of Directors shall also appoint a clerk for the corporation. The clerk shall remain in office until he resigns or is removed from the office by the Board of Directors. The clerk shall be empowered and have the responsibility to file the annual report of the corporation with the Secretary of State, pursuant to Title 13-B M.R.S.A. § 1301, on or before June 1. The clerk shall also be empowered and have the responsibility to act on behalf of the corporation in all legal matters.

10. COMPENSATION:

No Board members, officers or volunteers shall be compensated for their services. However, the Board may vote to reimburse anyone who performs services for the

corporation for his/her out-of-pocket expenses.

Employees of the corporation shall be compensated at salaries or wage rates to be set by the Board of Directors.

11. INDEMNIFICATION OF BOARD MEMBERS, OFFICERS AND VOLUNTEERS:

The Board of Directors may vote to defend, indemnify and hold harmless any board member, officer, employee, or volunteer from liability for anything done within the scope of their duties, to the fullest extent permitted by law, if the corporation or that individual does not have adequate insurance to cover those costs.

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12. CHARITABLE CONTRIBUTIONS:

The corporation may be required to register under the Charitable Solicitations Act, Title 9 M.R.S.A. §5003(1).

The Treasurer will send written acknowledgments of donations of \$250.00 or more, and of all the donations of \$75.00 or more for which the corporation gives the donor something of value in return, as required by IRS regulations, so that the donors may take tax deductions for those donations.

The Treasurer will also give donors written acknowledgment of receipt of non-cash gifts worth \$500.00 or more, and will also provide donors of non-cash gifts worth more than \$5,000.00 with a written appraisal by a qualified appraiser, so donors can take tax deductions for those gifts on 8283 forms.

13. CONVEYANCES OF PROPERTY:

The corporation may give away real or personal property only in furtherance of its religious, charitable and/or educational purpose, or to one or more other exempt organizations under §501(c)(3) of the Internal Revenue Code. No real or personal property of the corporation may be given away to any directors or officers of the corporation, or to any member of their immediate families.

Real and personal property of the corporation may be sold only for its full fair market value.

Under no circumstances may the corporation loan any monies to any directors or officers of this corporation.

14. DISSOLUTION:

Upon the dissolution of the corporation or the termination of its activities, the assets of the corporation remaining after the payment of all its liabilities shall be distributed exclusively to one or more organizations organized and operated exclusively for such purposes as shall then qualify as an exempt organization or organizations under §501(c)(3) of the Internal Revenue Code of 1986, as amended, and as a charitable, religious, eleemosynary, benevolent or educational corporation within the meaning of Title 13-B of the Maine Revised Statutes, as amended.

No part of the net earnings of the corporation shall inure to the benefit of any member, director or officer of the corporation, or any private individual (except that these

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by-laws may be amended in the future to provide that reasonable compensation may be paid for services rendered to or for the corporation in carrying out one or more of its purposes), and no member, director, or officer of the corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

15. AMENDMENTS:

These By-Laws may be amended at any time by a vote of at least two-thirds (2/3) of the Directors on the Board of Directors of the corporation.

Dated

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