

BYLAWS  
OF  
MOUNTAIN TOP QUILTERS GUILD

ARTICLE 1  
PRINCIPAL OFFICE AND PURPOSE

Section 1.1. Principal Office. The known place of business of Mountain Top Quilters Guild (hereinafter referred to as the "Guild") in the State of Arizona shall be the office of its statutory agent unless otherwise designated in the Articles or in a written statement or document duly executed and filed with the Arizona Corporation Commission. Guild may have such other offices, either within or without the State of Arizona, as the Board of Directors may designate or as the business of Guild may require from time to time. The Board of Directors may change Guild's known place of business or its statutory agent from time to time by filing a statement with the Arizona Corporation Commission pursuant to applicable law.

Section 1.2. Purpose. The Guild was formed to (i) promote the appreciation of fine quilts through meetings, workshops and fellowship, (ii) to support quilt related activities, (iii) to encourage quilt making, (iv) to contribute to the knowledge of quilting techniques, textiles, patterns, history, and quilt makers, (v) make and distribute quilts for charities and (vi) take such other actions that are deemed appropriate by the Board of Directors of the Guild in furtherance of the purposes of the Guild set forth in Article IV of the Articles of Incorporation.

ARTICLE II  
MEMBERSHIP

Section 2.1. Membership Eligibility. Application for voting membership shall be open to any individual or organization that supports the purpose statement in Article I, Section 1.2, and continuing membership is contingent upon being up-to-date on membership dues.

Section 2.2. Admission. Membership shall be granted upon the receipt of the membership dues for the fiscal year. Guests will be allowed to attend a maximum of three meetings, after which time, membership is required as a condition to attending additional meetings.

Section 2.3. Voting. Each paid member shall be entitled to attend the annual meeting and to cast one vote at the meeting.

Section 2.4. Dues. The Board of Directors may set annual dues schedules for membership which shall be voted on by the membership as part of the yearly budget approval.

Section 2.5. Termination. The Board may terminate the membership of a member in the event the member fails to pay its annual dues or any other amounts owed to the Guild by the due date thereof.

ARTICLE III  
MEETINGS OF MEMBERS

Section 3.1. Annual Meeting. The date of the regular annual meeting shall be set by the Board of Directors who shall also set the time and place of such meeting.

Section 3.2. Special Meetings. Special meetings of the membership may be called by the President or by a simple majority of the Board of Directors. The President shall call a special meeting of the members upon receipt of a petition signed by at least twenty percent of the voting members calling for a special meeting.

Section 3.3. Monthly Meetings. Monthly meetings shall be held at the place, date and time as set by the Board of Directors.

Section 3.4. Notice. Notice of each meeting shall be given to each voting member, by email, newsletter, telephone or mail, not less than 7 days before the meeting.

Section 3.5. Quorum. The presence of members present in person or by proxy at a properly noticed meeting of the members shall constitute a quorum at all meetings of the members.

Section 3.6. Proxies. At any meeting of members, any member entitled to vote may vote by proxy executed in writing by the member or by his or her duly authorized attorney-in-fact. Proxies may be granted in favor of only another member, the Secretary of the Guild or the Board of Directors. Proxies shall be duly executed in writing and shall be valid only for the particular meeting designated therein or any adjournment thereof. All proxies must be filed with the Secretary prior to the commencement of the meeting for which they are given. Proxies shall be deemed revoked only upon the appearance in person of the member representative of the member granting a proxy at the meeting for which the proxy was granted or upon the actual receipt by the person presiding over the meeting of a notice of revocation signed by the member who granted the proxy.

Section 3.7. Manner of Acting. A majority of the votes entitled to be cast on a matter to be voted upon by the members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof unless a greater proportion is required by statute or these Bylaws.

Section 3.8. Minutes. Minutes shall be taken at all meetings of the members. Copies of the minutes shall be available for inspection in the monthly newsletter by members. Minutes shall also be taken at all Board of Directors meetings.

ARTICLE IV  
BOARD OF DIRECTORS

Section 4.1. Board Role and Size. The Board is responsible for overall policy and direction of the Guild. The Board shall have all of the powers and duties necessary for the administration of the affairs of the Guild and may do all such acts and things that are not required by statute or

these Bylaws to be exercised or done by the members. The Board may in its sole discretion delegate some or all of the responsibility for day-to-day operations to the Guild's Executive Director, if any, and committees. The Board shall have up to six, and no fewer than three, members as determined from time to time by the members. The Board is responsible for ensuring that the proposed budget for the next fiscal year is distributed to the membership by newsletter prior to the member meeting in which the budget is voted upon. Any additional expenditure proposed, but not included in the approved budget, must be voted upon separately and approved by the membership prior to any funding.

Section 4.2. Board Elections. Board members shall be elected by the vote of those members present.

Section 4.3. Meetings. The Board shall meet monthly at an agreed upon time and place. In addition, meetings of the Board of Directors may be held by conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation at such meeting shall constitute presence in person at the meeting.

Section 4.4. Action by Directors Without a Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all Directors or committee members, as the case may be, consent thereto in writing or by email. Such consent shall have the same effect as a unanimous vote of the Directors or committee members of the Guild at a meeting duly called and noticed.

Section 4.5. Election Procedures. Each year, at least forty-five days prior to the May member meeting, a nominating committee of three members shall be appointed by the President in consultation with the Board. This committee shall prepare a slate to be presented to the membership at the May meeting. Nominees selected by the Nominating Committee must be individual members of the Guild. Nominations may be made from the floor, provided consent of the nominee has been obtained. All members will be eligible to vote for each Board candidate. The nominees receiving the highest number of votes in the election shall be elected to fill the vacancies on the Board. The new Directors' terms will begin July 1st.

Section 4.6. Terms. All Board members shall serve one-year terms.

Section 4.7. Quorum. A Board meeting must be attended by at least fifty percent of the Board members before business can be transacted or motions made or passed.

Section 4.8. Notice. In the event the Board establishes a schedule of monthly or other periodic Board meetings, no notice will be required for such meetings. If no such regular periodic schedule is established, Board members shall receive at least twenty-four hours notice in advance of the date of the meeting.

Section 4.9. Vacancies. When a vacancy on the Board exists due to the resignation, death or removal of a Director or due to an increase in the number of Directors, the position must be filled unless the membership approves otherwise. Election of a person to fill any such vacancy by the

members will be held at the next general membership meeting and the person elected to fill any such vacancy will serve only to the end of the term of the particular Board member who he or she replaced.

Section 4.10. Resignation, Termination and Absences. Resignation from the Board must be in writing and received by the Secretary. A Board member shall be removed for excess absences from the Board if he or she has three unexcused absences from Board meetings in a year. A Board member may be removed for other reasons by a two-thirds vote of the remaining Directors.

Section 4.11. Special Board Meetings. Special meetings of the Board shall be called upon the request of the President or one-third of the members of the Board. The Secretary shall send out notices of special meetings to each Board member at least twenty-four hours in advance of the date of the meeting.

Section 4.12. Compensation. Directors shall not receive any compensation for their services as such. However, upon the approval of the Board, and subject to funds available in the member-approved annual Budget, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties. Actual expenses incurred that exceed the Budget must go through the budget approval process prior to reimbursement.

Section 4.13. Loans or Guarantees for Directors. The Guild may not lend money to or guaranty the obligation of a Director.

## ARTICLE V OFFICERS AND DUTIES

Section 5.1. Officers and Duties. There shall be five officers of the Board consisting of a President, a President-Elect, a Secretary, a Treasurer, and a Program Chair. The Officers will be elected by the Directors. Their duties are as follows:

(a) The President shall conduct all business meetings, convene regularly scheduled Board meetings, shall preside or arrange for other members of the Executive Committee to preside at each meeting in the following order: President-Elect, Secretary, then Treasurer.

(b) The President-Elect shall assume the duties of the office of President, when necessary. The President-Elect shall assume the office of President the following year.

(c) The Secretary shall keep minutes of all general membership meetings and shall be responsible for keeping records of Board actions, including overseeing the taking of minutes at all Board meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each Board member, executing the Guild's correspondence, and assuring that corporate records are maintained.

(d) The Treasurer shall be the custodian of all funds and record all monies received and expended. The Treasurer shall present monthly financial statements at each Board meeting and

an annual year-end financial statement to the Board and the general membership. Monthly financial statements shall be posted at the monthly member meetings. The outgoing Treasurer shall be the chair of the following year's Budget committee. The Treasurer shall be responsible for ensuring that all Federal and State Tax Returns or other required reports are submitted on a timely basis.

(e) The Program Chair shall schedule programs and workshops from January through December.

Section 5.2. Compensation. Officers shall not receive any compensation for their services as such. However, upon the approval of the Board, and subject to funds available in the member approved annual Budget, any Officer may be reimbursed for his or her actual expenses incurred in the performance of his or her duties. Actual expenses incurred that exceed the Budget must go through the budget approval process prior to reimbursement.

Section 5.3. Loans or Guarantees for Officers. The Guild may not lend money to or guaranty the obligation of an officer.

## ARTICLE VI COMMITTEES

Section 6.1. Committee Formation. The Board President shall appoint all committee chairs of all committees as listed in the Guild Directory.

## ARTICLE VII PROHIBITED TRANSACTIONS AND ACTIVITIES

Section 7.1. Prohibited Transactions.

(a) Prohibition Against Sharing in Earnings. No Director, officer, employee, committee member, or person connected with the Guild shall receive at any time any of the net earnings or pecuniary profit from the operations of the Guild; provided that this shall not prevent the Guild's payment to any person of reasonable compensation for services rendered to or for the Guild in effecting any of its purposes as determined by the Board of Directors.

(b) Other Prohibitions. Neither the Guild, nor its Directors, nor its Officers have any power to cause the Guild to do any of the following with Related Parties:

(i) make any substantial purchase of securities or other property, for more than adequate consideration in money or money's worth; or

(ii) sell any substantial part of its assets or other property, for less than an adequate consideration in money or money's worth.

For the purpose of this subsection, "Related Parties" means any person who has made a substantial contribution to the Guild, or with a brother, sister, spouse, ancestor, or lineal

descendant of the person giving, or with a corporation directly or indirectly controlled by the person giving.

Section 7.2 Prohibited Activities. Notwithstanding any other provisions of these Bylaws, no Director, officer, employee or representative of the Guild shall take any action or carry on any activity by or on behalf of the Guild not permitted to be taken or carried on by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986 and its regulations as they now exist or as they may later be amended, or by an organization, contributions to which are deductible under section 170(d)(2) of the Internal Revenue Code of 1986 and regulations as they now exist or as they may later be amended.

Section 7.3. Additional Prohibited Activities.

(a) Membership list of Guild members shall not be given or sold to persons or organizations to be used for solicitation, sales, or political purposes.

(b) Outside businesses pertaining to quilting classes or services may not be promoted in meetings. Persons contracted by the Guild to give a lecture or teach a class may promote their products.

Section 7.4. Funds Used For Indemnification. The Guild's funds may be used to benefit officers and Directors by way of indemnification, but only if such indemnification is authorized by Article VIII of these Bylaws.

## ARTICLE VIII INDEMNIFICATION

Section 8.1. Indemnification of Officers, Directors, Committee Members, Employees and Agents. The Guild shall indemnify any person who incurs expenses or liabilities by reason of the fact he or she is or was an Officer, Director, Committee Member, Employee, or Agent of the Guild. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law.

Section 8.2. Limitation of Liability. To the fullest extent permitted by the Arizona Revised Statutes as the same exist or may hereafter be amended, a Director of the Guild shall not be liable to the Guild or its members for monetary damages for any action taken or any failure to take any action as a Director. No repeal, amendment or modification of this section, whether direct or indirect, shall eliminate or reduce its effect with respect to any act or omission of a Director of the Guild occurring prior to such repeal, amendment or modification.

## ARTICLE IX AMENDMENTS

Section 9.1. Amendments. A parliamentary committee, consisting of one Board member and at least two members-at-large, shall review Bylaws, Standing Rules and Addenda and shall submit its report to the Board. At any regular monthly member meeting, the Bylaws, Standing Rules and

Addenda may be amended by the majority vote of the members present, provided the amendments have been submitted in writing or by email to the membership in a prior newsletter.

## ARTICLE X ARTICLES OF INCORPORATION

Section 10.1. References to Articles. Any reference herein made to the Guild's Articles will be deemed to refer to its Articles of Incorporation and all amendments thereto as at any given time on file with the Arizona Corporation Commission, together with any and all certificates filed by the Guild with the Arizona Corporation Commission (or any successor to its functions) pursuant to applicable law.

Section 10.2. Seniority. The Articles will in all respects be considered senior and superior to these Bylaws, with any inconsistency to be resolved in favor of the Articles, and with these Bylaws to be deemed automatically amended from time to time to eliminate any such inconsistency that may then exist.

## ARTICLE XI DISSOLUTION

Section 11.1. Dissolution. The Board of Directors shall adopt a resolution recommending that the Guild be dissolved and directing that the question of such dissolution be submitted to a vote at a meeting of the members, which may be either a monthly or a special meeting. Written notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the Guild shall be given to each member entitled to vote at such meeting of the members. A resolution to dissolve the Guild may be adopted only by act of the members. Voluntary dissolution shall comply in all respects with A.R.S. § 10-11401 *et seq.*