

BYLAWS
of the
Nemeth Art Center
(Incorporated February 10, 1977)
(Revised May 11, 2005)
(Revised September, 22, 2018)

**ARTICLE I
NAME & PURPOSE**

Section 1.01: Name

The name of the organization shall be the Nemeth Art Center (NAC) and shall be referred to NAC for the purposes of this document. It shall be a non-profit organization incorporated under the laws of the state of Minnesota.

Section 1.02: Purpose & Objectives

The Nemeth Art Center's mission is to be a creative space for the exchange of new ideas, perspectives and experiences among artists and the public through our exhibitions, performances, residencies, collections and programs. Our goal at the Nemeth Art Center is to forge meaningful connections across all areas of the arts in order to create a better more worthwhile experience now and in the future. It is our objective to become a creative force, an educational resource, and place of learning for the Park Rapids area and to harness the economical vitality of the arts.

Section 1.03: Area Served

Communities considered part of the Lakes Region stemming from Park Rapids, Minnesota.

ARTICLE II: MEMBERSHIP

Section 2.01: Member Eligibility

Any person interested in the enjoyment, engagement, experience, appreciation and promotion of the arts is eligible for membership which shall be unlimited in number.

Section 2.02: Membership Fees

The membership year for the members of this corporation shall be the same as the fiscal year (as defined in Article III) of this corporation. The Board of Directors reserves the right to determine the monetary amount associated with each membership fee and level of membership. The fees shall not be increased by more than 50%. This amount shall be reviewed and determined at the end of each fiscal year to establish the next fiscal year membership fees.

Section 2.03: Levels of Membership, Benefits and Rights

As defined in Section 2.01 eligible all person(s) (in the public) may obtain a individual membership or family membership. Person(s) may obtain a membership by paying the annual membership fee as established annually for each fiscal year by the Board of Directors. Memberships may be purchased anytime during the fiscal year starting December 1st and ending November 30th, but shall be only valid for the duration of the fiscal year. Memberships will not be automatically renewed. Members must renew their memberships annually by paying in full the membership fee as established by the Board of Directors annually for each fiscal year.

Individual Membership Annual Fee: \$25.00. An Individual Membership to the Nemeth Art Center provides extended access to visiting artists during opening receptions, along with invites to special fundraising events.

Family Membership Annual Fee: \$50.00. A family membership to the Nemeth Art Center provides extended access to visiting artists during opening receptions, along with invites to special fundraising events.

Friend of the Art Center Annual Fee: \$100.00. A Friend of the Art Center provides extended access to visiting artists during opening receptions and priority invites to special fundraising events.

Sustaining Member Annual Fee: \$250.00. A Sustaining Member to the Nemeth Art Center provides extended access to visiting artists during opening receptions, priority invites to special fundraising events, along with extended access to the NAC Board and its Director.

Benefits: Benefits may include, but not limited to, advanced notifications to gallery openings, artist talks, discounts on art works, classes, and fundraising event and other creative opportunities.

Rights: Membership to be non-voting. Members, if any, shall meet the qualifications set by resolution of the Board of Directors, and pay dues, if any, according to a schedule established by the Board. Members shall have any and all rights set by resolution of the Board of Directors except that per mandate in the Articles of Incorporation, no voting rights in the corporation may be provided to members.

Section 2.04: Member Annual Meeting and Voting

As the corporation has no voting members it is not required to have an annual meeting, but may

hold an annual or anniversary meeting of the corporation at which the Board of Directors shall meet and conduct business as set out in Article VII.

Section 2.05: Business Sponsorships, Sponsorship Levels, and Benefits

Business sponsorship levels will be created by the Executive Director and reviewed and approved by the board at the onset of each fiscal year.

Sponsorship: Any business, organization and person(s) can apply to be a sponsor of the NAC. Said parties can apply for sponsorship by paying a fee as stated below. The NAC Board of Directors reserves the right to deny sponsorship from any party or parties that are not in consistent with the mission of the Nemeth Art Center.

Sponsorship levels:

Adopt a painting option: \$ _____

Host a painting from the NAC's collection at your business for one year.

Priority business listing: \$ _____

Prominent listing location

Standard business listing: \$ _____

A one-time cash donation in the amount of: ₪ _____

Other: I am interested in donating:

Benefits: Benefits may include, but not limited to, name of sponsor located in prominent gallery space, web sites, printed materials, social media, and news outlets or communication agencies.

ARTICLE III GENERAL

Section 3.01: Strategic Planning Meeting

The board of directors shall attend an annual meeting to develop ideas related to operations, events, and business affairs. The date will be determined by board members, with notification one week prior to the event.

Section 3.02: Fiscal Year

The fiscal year shall being on December 1st and end on November 30th.

Section 3.03: Rules

Robert's Rules of Order shall direct all the proceedings of meetings.

ARTICLE IV BOARD OF DIRECTORS

Section 4.01: General Powers

The affairs of the organization shall be managed by its Board of Directors. The Board of Directors shall have control of and be responsible for the management of the affairs and property of the Corporation.

Section 4.02: Number, Terms of Service, Requirements

Number: The board of directors shall consist of no fewer than five (5) nor no more than nine members (9) of the NAC selected by the board, including the following officers: the Chair, Vice-Chair, the Secretary, and the Treasurer.

Term of Service: The term of office shall be two years with no limitation to the number of terms of service. Newly elected members of the Board of Directors who have not served before shall serve initial one-year terms. At the conclusion of the initial one-year term, members of the Board of Directors may serve additional three year terms.

Requirements: The board of directors shall be full-time residents within the surrounding area of the NAC.

Section 4.03: Voting Authority

The act of the majority of the Board present and voting at a meeting at which a quorum is present is an act of the Board. Each member shall have a single vote on every issue brought forth during in person board meetings. *Remote Voting:* The board may be asked to cast votes via email, to reach decisions between regularly scheduled board meetings.

Section 4.04: Power to Hire and Discharge

The Board shall have the power to hire and discharge staff as deemed necessary to the functioning of the NAC.

Section 4.05: Removal and Resignation

A board director may be removed from the board after two unexcused absences in one year. Any removal must be formally brought forth for discussion and voting at a regular or special meeting.

ARTICLE V OFFICERS

Section 5.01: Officers

The officers of NAC shall be Chairperson, Vice-Chair, Secretary, Treasurer and Executive Director. Except for the Executive Director, all officers shall be members of the board.

Section 5.02: Election and Term of Office

Members may submit prior to the Strategic Planning meeting the names of those persons for the respective offices of the Board of Directors. The election shall be held during the business meeting portion of the strategic planning. Elected officers will be determined by majority of the vote. Those officers elected shall serve a term of one (2) year, commencing at the next annual Strategic Planning meeting.

Section 5.03: Duties of Officers and Staff

Chairperson: The Chair shall preside at all meetings of the membership and the Board of Directors and perform all duties pertaining to such office. The chair shall preside over all board meetings and shall use Robert's Rule of Order as a guideline to conducting the meeting. The chair shall perform all other duties applicable to the office as prescribed by the parliamentary authority adopted by the society.

Vice- Chair: The Vice-Chair shall perform the duties of the Chairperson in his/her absence.

Secretary: The Secretary shall keep minutes of all meetings; membership, Board of Directors, and Executive. The secretary shall be responsible for taking the minutes at all board meetings and disseminating the minutes to the board and director in a timely and relevant manner. The secretary shall keep records of said minutes.

Treasurer: The Treasurer shall be custodian of all funds and pay out money upon the order of the Board of Directors; shall ensure the keeping of records of costs and receipts of all funds. In the absence of the treasurer at a board meeting, the Executive Director shall review financial records with the board.

Executive Director: The Board of Directors shall hire an Executive Director who shall serve at the will of the Board. The Executive Director shall have immediate and overall supervision of the operations of the Corporation, and shall direct the day-to-day business of the Corporation, maintain the properties of the Corporation, hire, discharge, and determine the salaries and other compensation of all staff members under the Executive Director's supervision, and perform such additional duties as may be directed by the Executive Committee or the Board of Directors. No officer, Executive Committee member or member of the Board of Directors may individually instruct the Executive Director or any other employee. The Executive Director shall make such reports at the Board and Executive Committee meetings as shall be required by the Chair or the

Board. The Executive Director shall be an ad-hoc member of all committees.

The Executive Director may not be related by blood or marriage/domestic partnership within the second degree of consanguinity or affinity to any member of the Board of Directors or Advisory Council. The Executive Director may be hired at any meeting of the Board of Directors by a majority vote and shall serve until removed by the Board of Directors upon an affirmative vote of three-quarters (3/4) of the members present at any meeting of the Board Directors. Such removal may be with or without cause. Nothing herein shall confer any compensation or other rights on any Executive Director, who shall remain an employee terminable at will, as provided in this Section.

Section 5.04: Removal of Officer

The Board with the concurrence of 3/4 of the members voting at the meeting may remove any officer of the Board of Directors and elect a successor for the unexpired term. No officer of the Board of Directors shall be expelled without an opportunity to be heard and notice of such motion of expulsion shall be given to the member in writing twenty (20) days prior to the meeting at which motion shall be presented, setting forth the reasons of the Board for such expulsion.

Section 5.05: Vacancies

Any voting-member on the Board of Directors shall be filled by appointment by the Chairperson with the approval of the Board. The appointee shall fill the vacancy for the remainder of the unexpired term.

ARTICLE VI COMMITTEES

Section 6.01: Committee Formation

The board may create committees as needed, such as fundraising, housing, public relations, data collection, etc. The board chair appoints all committee chairs.

Section 6.02: Executive Committee

The four officers serve as the members of the Executive Committee. Except for the power to amend the Articles of Incorporation and Bylaws, the Executive Committee shall have all the powers and authority of the board of directors in the intervals between meetings of the board of directors, and is subject to the direction and control of the full board.

Section 6.03: Finance Committee

The treasurer is the chair of the Finance Committee, which includes two other board members. The Finance Committee is responsible for developing and reviewing fiscal procedures, fundraising plans, and the annual budget with staff and other board members. The board must approve the budget and all expenditures must be within budget. Any major change in the budget must be approved by the board or the Executive Committee. The fiscal year shall be from December 1st to November 30th. Annual reports are required to be submitted to the board

showing income, expenditures, and pending income. The financial records of the organization are public information and shall be made available to the membership, board members, and the public.

ARTICLE VII MEETINGS

Section 7.01: Regular Meetings

Regular meetings shall be held monthly or as otherwise determined by the board. The time and place shall be determined by the board. Robert's Rules of Order shall direct the proceedings of meetings.

Section 7.02: Notice of Meetings

All meetings of the Board of Directors shall be given to the Board by the Director a minimum of 10 days prior to the scheduled date, via email or electronic communication, personal communication or written and sent by mail.

Section 7.03: Annual Meetings

An annual strategic planning meeting of the board members and Executive Director shall take place to review and plan. The specific date, time and location of which will be designated by the chair. At the annual meeting the members shall elect directors and officers, receive reports on the activities of the association, and determine the direction of the association for the coming year.

Section 7.04: Special Meetings

Special meetings may be called by the chair, the Executive Committee, or a simple majority of the board of directors. No other business can be transacted except for that which the meeting was called.

Section 7.05: Cancellation of regularly scheduled meeting

The board chair or Executive Director will be responsible for any meeting cancellations due to weather, national or local emergency and will be responsible for rescheduling. Board members will be notified via electronic communication or personal communication.

Section 7.06: Quorum

The majority of the Board shall constitute a quorum.

Section 7.07: Voting

All issues to be voted on shall be decided by a simple majority of those present at the meeting in which the vote takes place.

Section 7.09 Electronic Voting

As per MN. State Statute 317A.239- Action without Meeting, voting by electronic mail (e-mail) is permitted under these Bylaws. Such calls of vote are to be reserved for issues of importance. This may arise, for example, In the event a quorum is not present at a formal meeting, or in the event that Board action is considered desirable at a time between regularly scheduled meetings. In such cases, all Board Directors have the right to submit a vote within a specified time period (no less than 48 hours, no more than 7 calendar days). Vote by email will be conducted in the following manner: a. The President or any three (3) Directors may request a vote via email. Directors shall have 3 options regarding their vote: i. Vote to pass the motion ii. Vote to reject the motion iii. Express the opinion that the motion is not amenable to an electronic vote. b. If any member objects to the electronic vote, the motion would remain subject to the "in person" quorum voting rules. If no objections are received, a simple majority of all Board Directors is required to pass the vote. c. All directors must have access to electronic mail, and it is the responsibility of each director to inform the Executive Director of the correct email address for purposes of correspondence and email voting.

Section 7.10: Action by Consent

Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if the action is taken by all directors. The action must be evidenced by at least one (1) written consent describing the action to be taken, signed by each director and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective when the last director signs the consent, unless the consent specifies a prior or subsequent effective date.

**ARTICLE VIII
CONFLICT OF INTEREST**

Section 8.01: Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Nemeth Art Center) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Nemeth Art Center 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.

Section 8.02: Definitions

1. *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.

2. *Financial Interest*

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. 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.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 8.03: Procedures

1. *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.
2. *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.
3. *Procedures for Addressing the Conflict of Interest*
 - a. 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.
 - b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

- c. 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.
 - d. 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.
4. *Violations of the Conflicts of Interest Policy*
- a. 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.
 - b. 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.

Section 8.04: Records of Proceedings

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

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.

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.

Section 8.05: Compensation

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.

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.

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.

Section 8.06: Annual Statements

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

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

Section 8.07: 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:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. 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.

Section 8.08: 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.

ARTICLE IX ACCESSIONS

Section 9.01: Accessions

All Directors shall act as an Accessions Committee authorized to do any and all acts necessary to acquire new additions to the permanent collection of art objects that they deem suitable and in keeping with the financial standing of the Corporation, with the already existing collection with the goals of the Corporation subject to the following:

- a. In the event of a purchase there shall be on hand 100% of the total budget before commitments are made.
- b. A two-thirds vote of all Directors is necessary to accept a work of art to the permanent collection from the purchase or gift.

Section 9.02: Gifted Artwork

Gifts of works of art to the Museum shall be accepted with the limitation that no stipulation as to the future use of the deaccessioning of the said works to be attached by the donor.

Section 9.03: Deaccession

Works may be deaccessioned with 90% vote of the Directors.

ARTICLE X INDEMNIFICATION

Section 10.01: General

To the full extent authorized under the laws of the State of Minnesota, the corporation shall indemnify any director, officer, employee, or agent, or former member, director, officer, employee, or agent of the corporation, or any person who may have served at the corporation's request as a director or officer of another corporation (each of the foregoing members, directors, officers, employees, agents, and persons is referred to in this Article individually as an "indemnitee"), against expenses actually and necessarily incurred by such indemnitee in connection with the defense of any action, suit, or proceeding in which that indemnitee is made a party by reason of being or having been such member, director, officer, employee, or agent, except in relation to matters as to which that indemnitee shall have been adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of a duty. The foregoing indemnification shall not be deemed exclusive of any other rights to which an indemnitee may be entitled under any bylaw, agreement, resolution of the Board of Directors, or otherwise.

Section 10.02: Expenses

Expenses (including reasonable attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding, if authorized by the Board of Directors, upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that such indemnitee is not entitled to be indemnified hereunder.

Section 10.03: Insurance

The corporation may purchase and maintain insurance on behalf of any person who is or was a member, director, officer, employee, or agent against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the corporation would have the power or obligation to indemnify such person against such liability under this Article.

ARTICLE XI AMENDMENTS

Section 11.01.:Articles of Incorporation

The Articles may be amended in any manner at any regular or special meeting of the Board of Directors, provided that specific written notice of the proposed amendment of the Articles setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each director at least three days in advance of such a meeting if delivered personally, by facsimile, or by e-mail or at least five days if delivered by mail. As required by the Articles, any amendment to Article III or Article VI of the Articles shall require the affirmative vote of all directors then in office. All other amendments of the Articles shall require the affirmative vote of an absolute majority of directors then in office.

Section 11.02: Bylaws

The Board of Directors may amend these Bylaws by majority vote at any regular or special meeting. Written notice setting forth the proposed amendment or summary of the changes to be effected thereby shall be given to each director within the time and the manner provided for the giving of notice of meetings of directors.

ADOPTION OF BYLAWS

We, the undersigned, are all of the initial directors or incorporators of this corporation, and we consent to, and hereby do, adopt the foregoing Bylaws, consisting of the 13 preceding pages, as the Bylaws of this corporation.

ADOPTED AND APPROVED by the Board of Directors on this ____ day of _____, 20__.

Dawn Rossbach, Board Chair - Nemeth Art Center

ATTEST: Barry Simonson, Secretary - Nemeth Art Center

Laura Grisamore - Board Member

Ester Simon - Board Member

Jeremy Simonson - Board Member

Aaron Spangler - Board Member

Michele Thieman- Board Member

Linda Van Bruggen - Board Member