

BYLAWS
OF
THE OLD TOWN ASSOCIATION, INCORPORATED

Adopted: 10.21.1993

Amended: 1.12.1995

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ARTICLE I
ORGANIZATION

SECTION 1. ORGANIZATION NAME

The name of the organization is “The Old Town Association” (hereinafter referred to as the “OTA”). The OTA shall govern itself in accordance with the laws of the State of Arizona and its Articles of Incorporation.

SECTION 2. OFFICES

a. Principal Office

The principal office of the corporation is located at, 849 Cove Parkway Ste C, Cottonwood, Yavapai County, State of Arizona. The designation of the address, county or state of the corporation’s principal office may be changed by amendment of these Bylaws by a resolution of the Board of Directors.

b. Registered Office/Agent

The OTA shall maintain a registered office as well as a registered agent in the State of Arizona. The registered office may, but need not be, the same as the place it does business. Pursuant to the provisions of the Arizona Corporation Commission, the identity and address of the registered agent may be changed from time to time.

The registered office of the corporation or other such place that the board may determine must keep a record of minutes of all meetings conducted. Also, if applicable, shall keep record of meetings of committees of directors and members, recording therein the time and place of holding, whether regular or special, how notice thereof was given, names of those present or represented at the meeting, and the proceedings thereof.

ARTICLE 2 PURPOSES

SECTION 1. VISION

To promote, develop and enrich Cottonwood's Historic Old Town District through Local Commerce, Tourism and Community Engagement.

SECTION 2. MISSION

To enhance and support the unique historic qualities of Cottonwood's Old Town area as a healthy and economically vital center of commerce and community.

SECTION 3. GOALS

- Support projects to enhance Historic Old Town Community Facilities
- Bring together businesses and individuals to foster community welfare & goodwill
- Procure grant opportunities in relationship to mission of the OTA
- Promote tourism "Cottonwood Old Town as a destination"
- Offer financial assistance through educational scholarship program
- Support Old Town businesses through marketing and small business workshops
- Provide and undertake community activities in Old Town Cottonwood
- Fostering partnerships with local organizations to maximize impact of efforts
- Provide internships or volunteer opportunities for involvement in activities and programs.

SECTION 4. COMPLIANCE WITH LAW AND NONPROFIT TAX-EXEMPT STATUS

The Association is organized to engage in charitable fundraising for the exclusive purpose of providing resources to and engaging in activities that positively impact the Historic Old Town District within the City of Cottonwood, Arizona, and its surrounding community. The Association will provide funding for events, educational programs, and scholarships; economic development and promotion of Historic Old Town Cottonwood, thus relieving similar burdens upon government; and service to other organizations exempt from tax under the Internal Revenue Code 501(c)3. The Association must comply with all applicable federal, state, and local laws, rules, and regulations.

ARTICLE 3 MEMBERSHIP

SECTION 1. ELIGIBILITY

Active membership shall be open to all persons 18 years of age or older upon payment of dues and completion of a membership application. Fees vary according to membership class.

SECTION 2. COMPOSITION

The OTA has three (3) classes of members; Old Town Member, Complementary/In Kind and Friends of OTA.

- a. Old Town Member is awarded with an annual due in the amount determined by the OTA Board in December of each year. Dues are per business or individual within 30 days of the invoice of each year. Eligibility for General Membership requires one of the following: ownership or operation of a business within Old Town Cottonwood, employment with a business in Old Town Cottonwood, or ownership of real estate property within Old Town Cottonwood. "Old Town", for the purposes of OTA membership, shall be defined as Cactus Street to 7th Street.
- b. Complementary/In Kind are occasionally awarded to various entities, businesses, or individuals as the Board and General Membership see fit.
- c. Friends of OTA Memberships are awarded to businesses or individuals who do not fall within the Old Town District, but who choose to support the OTA. Friends of the OTA are unable to vote in membership elections but are included on the OTA website.

SECTION 3. DUES

Annual dues must be received by within 30 days of the invoice of each calendar year. Membership dues are subject to annual revision.

- a. Delinquency- Dues will be considered delinquent if not paid within 45 days of invoice in the year they are due. The names of delinquent members will be removed from the association membership and future OTA promotion materials, marketing advertisement including website listings. All rights of active members will be lost if a person has not paid their annual dues.

SECTION 4. PRIVILEGES

- ◆ Members may vote in the annual election of Directors & Officers and may be elected or appointed to the Board of Directors.
- ◆ Members may call for items of discussion to be included on the monthly board meeting agenda. New items must be presented to the Board Secretary and/or Board President at least one week prior to the scheduled Board Meeting.
- ◆ Members may serve on committees.
- ◆ Members in good standing will be awarded a business listing in the appropriate category on the OTA website.
- ◆ Members in good standing will be included in advertising and marketing efforts on behalf of the Old Town District to promote events, tourism, and local business traffic.
- ◆ Membership allows participation in activities, programs, publications, and events.
- ◆ Members receive candy to participate in the annual Halloween trick-or-treating event.
- ◆ Complimentary inclusion of your upcoming event(s) on the OTA website calendar.
- ◆ Stipend(s) for participation in OTA sponsored events as deemed by the Board.

ARTICLE 4 MEETINGS

SECTION 1. REGULAR MEETINGS OF DIRECTORS

Regular meetings of the Directors shall be held on the 1st Monday of each month at 3:00pm, and a subsequent Work Session meeting held on the 3rd Monday of each month at 3:00pm, unless such a day falls on a legal holiday, in which event the regular meeting shall be held at the same hour and place on the next business day. The Board of Directors shall conduct a minimum of monthly regular meetings unless otherwise determined by the Board. Meetings shall be held at a mutually acceptable location.

SECTION 2. ANNUAL MEMBERSHIP MEETING

The annual meeting of the members of the Association shall be held in Cottonwood, AZ in August of each year or on any other date that the board of directors shall designate. Notice of the meeting shall be posted at the principal office of the association and shall be sent to the last known address of each member either by hand delivery, e-mail or via US Mail. This notice shall be sent at least ten (10) days prior to the meeting but not more than thirty (30) days prior to the meeting. This meeting is for the purpose of filling any vacancies on the Board, receiving both the annual financial and President's report, as well as other items set by the Board.

SECTION 3. INFORMATIVE/SPECIAL EVENT MEETING

These meetings are held to notify membership of special events. In addition, Informative/ Special Event Meetings serve the general membership by fostering community relations, recruiting new members, addressing cares and concerns. These meetings may be held from time to time as the board sees fit or requested by the membership.

SECTION 4. SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by any officer of the Board, or by any two (2) directors of the Board, or, if different, by the persons specifically authorized by the laws of this state to call special meetings of the board. Forty-eight (48) hours special notice shall be given for all Special Meetings. Upon receipt of a written or email request to the Board and Membership, the Board shall hold a Special Meeting. Such meetings shall be held at the principal office of the corporation or, if different, at the place designated by the person or persons calling the special meeting.

SECTION 5. COMMITTEE MEETINGS

Committee Meetings are held as deemed necessary by each individual committee. All board approved committees must meet at least 2 (two) times per year as deemed necessary. The committees shall keep regular minutes of their proceedings and report the same to the Board of Directors. Forty-eight (48) hours special notice shall be given for all Committee Meetings. Such meetings shall be held at the

principal office of the corporation or, if different, at the place designated by the person or persons calling the committee meeting.

SECTION 6. QUORUM FOR MEETINGS

A quorum shall consist of a majority vote of the Board of Directors. Except as otherwise provided under the Articles of Incorporation, these Bylaws, or provisions of law, no business shall be considered by the Board at any meeting at which a quorum is not present, and the only motion which shall be entertained at such a meeting is a motion to adjourn.

SECTION 7. MAJORITY ACTION AS A BOARD ACTION

Every action made by a majority of the directors is the action of the Board of Directors, unless the Articles of Incorporation, these Bylaws, or provisions of the law require a greater percentage or different voting rules for approval of a matter by the Board.

SECTION 8. CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the President of the corporation, or in his or her absence, by the Vice President of the corporation or, in the absence of each of these persons by a chairperson shall be chosen by a majority of the directors present at the meeting. The Secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding official shall appoint another person to act as Secretary of the Meeting.

Meetings shall be governed by such procedures as may be approved from time to time by the Board of Directors, in so far as such rules are not inconsistent with or in conflict with the Articles of Incorporation, these Bylaws, or with the provisions of law. The present procedures that all meetings shall follow are the revised edition of Roberts Rules of Order.

ARTICLE 5 ELECTIONS

SECTION 1. ELECTION AND ELECTION OF DIRECTORS

At the July board meeting, the Board will establish a slate of candidates to serve two (2) year terms to replace the Directors whose regular terms are expiring. Each candidate must be an active member in good standing and must have agreed to accept the responsibility of a directorship. The Secretary shall immediately notify the Membership of the vacant seats, the names of persons candidates for Directors, and the time frame to nominate any other potential board member. All nominations must be received at least 10 days prior to the Annual Membership Meeting. The Board will verify that all nominated persons are willing to serve as a board member before the election takes place at the Annual Membership Meeting.

Elections for officers and directors of the Board of Directors shall be conducted at the Annual Membership Meeting. At the Annual Membership Meeting, each membership is entitled to one (1) vote for each matter submitted to the members for vote. Members not attending the meeting may vote by proxy, provided they have completed and signed the proxy statement provided with the notice of

the annual meeting. Only members in good standing shall be entitled to vote. The candidates receiving the highest number of votes, shall be elected to fill the number of open positions on the Board.

Should an election be held with no meeting, the names of all candidates shall be arranged on a ballot in alphabetical order. Instructions will be to vote for (number of vacancies) candidates only. The Secretary shall send this ballot to all voting Members at least 10 days before the regular Board meeting. The ballots shall be marked in accordance with instructions printed on the ballot and returned to the Secretary of the OTA as directed on the ballot within ten (10) days.

SECTION 2. ACTION BY BALLOT

Any action that may be taken at any annual regular meeting or special meetings of Members may be taken without a meeting and without notice, if a ballot is distributed to every Member entitled to vote on the matter on the day that the first ballot is mailed or solicited. Such distribution of ballots shall be in the manner provided for giving notice of a meeting of Members. The ballot shall (i) set forth the proposed action, (ii) provide an opportunity to specify approval or disapproval of any proposal, (iii) provide a reasonable time within which to return the ballot to the OTA, (iv) indicate the number of responses needed to meet the requirement, (v) state the percentage of approvals necessary to pass the measure submitted, and (vi) specify the time by which the ballot must be received by the OTA to be counted. A matter shall be approved by ballot if the number of votes by ballot received within the period of time specified equals or exceeds the quorum required to be present at a meeting authorizing the proposed action and the number of approvals received equals or exceeds the number of votes which is required for approval at a meeting at which the total number of votes cast is the same as the number of votes cast by ballot. All ballots shall be filed with the President of the OTA and maintained in the records of the OTA. The results of the ballot shall be stated in the OTA's next mailing to the Membership.

ARTICLE 6 BOARD of DIRECTORS

SECTION 1. NUMBER

The organization shall have no less than (5) board of directors and up to 9.

The directors elected to the board, or put in place by appointment, shall consist of a majority directors being a paid Old Town Member as defined in Article 3 Membership Section 2.

Two (2) paid Friends of OTA and/or Complimentary/In Kind Members as defined in Article 3 Membership Section 2 may be elected or appointed to the board.

All directors of the board shall have equal voting rights.

SECTION 2. QUALIFICATIONS

Directors shall be of the age of majority in this state. Other Qualifications for directors of this association shall be as follows:

- a) A demonstrated knowledge in the association's overall objectives.

- b) Specific experience and/or knowledge in at least one element: administration, finance, personnel, program development, evaluation, education, the performing arts, event coordination, marketing, public relations, or communications.
- c) Be a member of the association in good standing, either by payment of dues or if a non-business owner in Cottonwood.

SECTION 3. TERM OF OFFICE.

The general term of office of each director shall be two (2) years. One half of the number of the directors, minus one will be elected in even years and remaining directors will be elected in odd years. Vacancies existing by reason of resignation, death, incapacity, or removal before the expiration of term shall be filled by majority vote of the remaining directors. Members will elect directors at the annual meeting.

SECTION 4. AUTHORITY

Subject to the provisions of the law of this state and any limitations in the Articles of Incorporation, these Bylaws, and all provisions of the Internal Revenue Code, the Regulations promulgated thereunder will apply to tax exempt corporations (or subsequent statutes and regulations pertaining thereto), all association powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors has the power, on the Association's behalf; to do all things necessary or convenient to carry out the business and affairs of the Association. Such powers shall include, so long as is consistent with its tax-exempt status, the power to control finances. The Board of Directors has the duty and authority to act for and on behalf of the organization and shall be responsible for conducting all business necessary to pursue the mission of the Old Town Association. This authority extends to the dissolution or cessation of the OTA. Each member of the board may vote and make motions.

SECTION 5. DUTIES

It shall be the duty of the directors to:

- a) Perform any and all duties imposed upon them collectively or individually by law, by the Articles of Incorporation, or by these Bylaws;
- b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix compensation, if any, of all officers, agents and employees of the corporation.
- c.) Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly.
- d.) Meet at such times and places as required by these Bylaws.
- e.) Register their addresses with the Secretary of the corporation, and notices of meetings mailed or emailed to them at such addresses shall be valid notices thereof.
- f.) Regularly evaluate and review the corporation's operations and maintain standards of performance.

- g.) Approve and monitor the corporate finances. See that sufficient funds are available for the corporation to meet its goals and objectives.
- h.) Ensure that all committees and projects have submitted budgets that have board approval, appoint committee chairperson(s), monitor committee activities, ensure proper training, and monitor receipts from committees.
- i.) All expenditures for or on behalf of the association are to be approved by a vote of the Board of Directors.
- j.) Develop and maintain a set of policies and procedures and operating instructions for the association.
- k.) A director may not miss more than three (3) consecutive meetings or a total of four (4) meetings within one calendar year. A director missing these total or consecutive meetings may be replaced by majority vote of the Board of Directors.
- l.) A director may not miss more than 3 consecutive meetings or a total of 4 (four) meetings within one calendar year. A director missing these total or consecutive meeting may be replaced by majority vote of the Board of Directors.

SECTION 6. COMPENSATION

Directors shall serve without compensation they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties if prior authorization for the expense is given by the board.

SECTION 7. VACANCIES

Vacancies on the Board of Directors shall exist (1) on the death, resignation, or removal of any director, (2) whenever the term of an existing director has expired and (3) whenever the number of authorized directors is increased.

Any director may resign effective upon giving written notice to the Chairperson of the Board, the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation.

Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

Unless otherwise prohibited by the Articles of Incorporation, these Bylaws or provisions of law, vacancies on the board may be filled by approval of the Board of Directors. If the number of directors, then in office is less than a quorum, a vacancy on the board may be filled by approval of a majority of the directors then in office or by a sole remaining director. A person elected to fill a vacancy on the board shall hold office until the next election of the board of Directors or until his or her death, resignation, or removal from office.

SECTION 8. NON-LIABILITY OF DIRECTORS

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

SECTION 9. INDEMNIFICATION BY CORPORATION OF DIRECTORS AND OFFICERS

The directors and officers of the corporation shall be fully indemnified by the corporation permissible under the laws of this state.

ARTICLE 7 OFFICERS

SECTION 1. DESIGNATION OF OFFICERS

The officers of the corporation shall be President, a Vice President, a Secretary, and a Treasurer. Pursuant to A.R.S. 10-2323, the President and the Secretary may not be the same person. The corporation may also have a Chairperson of the Board, one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers, and other such officers with such titles as may be determined from time to time by the Board of Directors.

SECTION 2. QUALIFICATIONS

Any person of the age of majority in this state may serve as an officer of this corporation. An officer must be a director.

SECTION 3. ELECTION AND TERM OF OFFICE

Officers shall be elected by the Board at the first board meeting after the annual meeting. In the event an officer's seat is made vacant during the course of the year, the Board of Directors may appoint an interim officer until the membership can vote at the annual meeting. Each officer who has served two (2) consecutive two (2) year terms is not eligible for election for a third term in the held position. A period of one year must elapse before eligibility is restored. The Board member may be elected to a different office after their two (2) term assignment and during the one (1) year respite.

SECTION 4. REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by the board of directors, at any time. Any officer may resign at any time by giving written notice to the board of Directors or to the President or Secretary of the Corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved by the board of Directors relating to the employment of any officer of the Corporation.

SECTION 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such a vacancy may be filled temporarily by appointment by the President until such time as the board shall appoint a new officer. Unless another person is specifically appointed as the Chairperson of the Board of Directors, The President shall preside at all meetings of the Board of Directors. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

SECTION 6. DUTIES OF THE PRESIDENT

The president shall be the principal executive officer of the corporation and, subject to the control of the board of directors, shall in general, supervise and control all of the business and affairs of the corporation. When present, the president shall preside at all meetings of the association and shall serve as chair of the board. The president may sign, with the secretary or any other proper officer of the corporation authorized by the board of directors, any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

SECTION 7. DUTIES OF THE VICE PRESIDENT

In the absence of the president, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the Articles of Incorporation, or by these Bylaws, or as may be prescribed by the Board of Directors.

SECTION 8. DUTIES OF THE SECRETARY

The Secretary shall:

- a) Certify and keep at the principal office of this corporation the original, or a copy, of these Bylaws as amended or otherwise altered to date.
- b) Keep at the principal office of the corporation or at such other place that the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof
- c) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.
- d) Be custodian of the records as authorized by law or the provisions of these Bylaws, and custodian of duly executed documents of the corporation.

- e) Exhibit at all reasonable times to any director of the corporation, or his or her agent or attorney, on request therefore, the Bylaws and the minutes of the proceedings of the directors of the corporation.
- f) In general, perform all duties incident to the office of the Secretary and such other duties as may be required by law, by the Articles of incorporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 9. DUTIES OF THE TREASURER

The Treasurer shall:

- a) Have charge and custody of; and be responsible for, all funds and securities of the deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.
- b) Receive, and give a receipt for, monies due and payable to the corporation from any source whatsoever.
- c) Disburse or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.
- d) Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements.
- e) Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or his or her agent or attorney, on request thereof.
- f) Render to the President and directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation.
- g) Prepare, or cause to be prepared, and certify, or cause or be certified, the financial statements to be included in any required reports.
- h) In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 10. COMPENSATION

The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Directors. In all cases, any salaries received by officers of this corporation shall be reasonable and given in return for services actually rendered to or for the corporation.

ARTICLE 8 COMMITTEES

SECTION 1. COMMITTEES

The corporation may have committees from time to time be designated by resolution of the Board of Directors. These committees may consist of persons who are not also members of the board and shall act in an advisory capacity to the board.

SECTION 2. COMMITTEE CHAIRPERSON(S)

The chairperson for any committee must be an active member of the association. It is the responsibility of each committee chairperson to submit a budget (if applicable) to the board of directors for any event being sponsored. Additionally, approval must be obtained from the board of directors for all expenses being incurred by the committee and for the event. Accurate records including but not limited to receipts and invoices must be maintained by each committee and submitted to the board of directors. No funds shall be maintained by any committee more than one (1) week. All funds must be submitted to the Treasurer for deposit into the association's account. Accurate records of these submittals must be maintained by each committee. The board of directors may change these requirements by creating or changing association policy and procedure.

SECTION 3. MEETINGS AND ACTIONS OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

ARTICLE 9 EXECUTION OF INSTRUMENTS DEPOSITS AND FUNDS

SECTION 1. EXECUTION OF INSTRUMENTS

The board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the Name of and on behalf of the corporation and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for payment of money, and other evidence of indebtedness of the corporation shall be signed by the Treasurer and countersigned by the President or Secretary of the corporation, unless the amount of the check is \$500 or less.

SECTION 3. DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

SECTION 4. GIFTS

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or device solely for the non-profit purposes so long as those purposes are authorized under Section 501(c) of the U.S. Internal Revenue code.

ARTICLE 10 CORPORATE RECORDS AND REPORTS

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office:

- a) Minutes of all meetings of directors and committees of the board, including the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof.
- b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses.
- c) A copy of the corporation's Articles of Incorporation and bylaws as amended to date, which shall be open to inspection by the board of the corporation at all reasonable times during office hours.

SECTION 2. DIRECTORS' INSPECTION RIGHTS

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation and shall have such other rights to inspect the books, records and properties of this corporation as may be required under the Articles of Incorporation, and other provisions of these Bylaws, and provisions of the law.

SECTION 3. RIGHT TO COPY AND MAKE EXTRACTS

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

SECTION 4. PERIODIC REPORT

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or its members, if any, of this corporation, to be so prepared and delivered within the time limits set by law.

SECTION 5. AUDIT OF BOOKS

At least once a year, the Board of Directors shall appoint a committee of at least two (2) members of the Board of Directors who shall audit the books and accounts of the corporation. An audit report shall be produced and submitted to the Board of Directors for review and action as may be required. This audit is in addition to and does not replace any other audit that may be necessary or as may be required under the Articles of Incorporation, and other provisions of these Bylaws, and provisions of the law unless it specifically meets all requirements of the Articles of Incorporation, and other provisions of these Bylaws, and provisions of the law.

ARTICLE II IRS 501(c)(3) TAX EXEMPTION PROVISION

SECTION 1. LIMITATION ON ACTIVITIES

No substantial part of the activities of this corporation shall be the carrying of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these Bylaws, this corporation shall not carry on any 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 or the corresponding provision from any future United States Internal Revenue Law, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code or the corresponding provision of any future United States Internal Revenue Law.

SECTION 2. PROHIBITION AGAINST PRIVATE INUREMENT

No part of the net earnings of this corporation shall inure to the benefit of, or be distributed to, its members, directors or trustees, officers, or other private persona, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

SECTION 3. DISTRIBUTION OF ASSETS

Upon the dissolution of this corporation, its assets after the payment, or provision of payment, of all debts and liabilities of this corporation shall be distributed for one or more exempt purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

SECTION 4. PRIVATE FOUNDATION REQUIREMENTS AND RESTRICTIONS

In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation:

- a) shall distribute its income for said periods at such time and manner as not to subject it to tax under Section 4962 of the Internal Revenue Code;
- b) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code;
- c) shall not retain any excess holdings as defined in Section 4943(c) of the Internal Revenue Code;
- d) shall not make any investments in such a manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and
- e) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

SECTION 5. INSURANCE FOR CORPORATE AGENTS

Except as may be otherwise provided under the provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee or other agent of the corporation) against liabilities asserted against or incurred by the agent in such a capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the Articles of Incorporation, these Bylaws or provision of law.

ARTICLE 12 STANDARD OF CARE

The Board shall adopt and periodically review the policies and procedures manual as incorporated by this corporation Bylaws which shall include the following

- a) Conflict of Interest Policy
- b) Whistle Blower Protection Policy
- c) Financial Control and Accounting Polices
- d) Records Management and Retention
- e) Review of Form 990
- f) Code of Conduct

ARTICLE 13 AMENDMENT OF BYLAWS

The board shall have the power to adopt, amend or repeal the Bylaws of this corporation and except as may otherwise be specified under provisions of law, these Bylaws, may be altered, amended, or repealed and new Bylaws adopted by the approval of the Board of Directors in any manner which does

not jeopardize its tax-exempt status. Annual approval of the Bylaws shall only be made no less than fourteen (14) days after the membership has been sent a copy of the proposed changes for their review.

ARTICLE 14
CONSTRUCTION AND TERMS

If there is any conflict between the provisions of these Bylaws and the Articles of Incorporation of this corporation, the provisions of the Articles of Incorporation shall govern.

Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by sum holding.

All references in these Bylaws to the Articles of Incorporation shall be to the Articles of Incorporation, Articles of Organization, Certificate of Incorporation, Organizational Charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.

All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

ARTICLE 15
CERTIFICATE OF ADOPTION OF BYLAWS

I do hereby certify that the above state Bylaws of The Old Town Association were amended by approval of by

the Board of Directors on _____

Secretary _____

Date _____