

BY-LAWS OF THE
SCHOOL PHOTOGRAPHERS OF AMERICA ASSOCIATION

ARTICLE I

Name and Location

Section 1. **Name:** The name of the incorporated organization shall be the School Photographers of America Association (“Association”).

Section 2. **Location:** The general offices of this organization shall be located in Guilford County, State of North Carolina.

ARTICLE II

Purpose – Limitation

Section 1. **Purpose:** The Association is organized to:

- 1) promote such common interests of its Members as may qualify it as exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any subsequent Federal tax laws);
- 2) promote and to provide leadership for the improvement and advancement of school photography across the United States and its territories;
- 3) work particularly for improvement in participation in school photography and yearbooks;
- 4) help to increase the level of training and learning access for companies in the school photography and yearbook industry and their employees;
- 5) strive continuously to share best practices and create standards that will help and support school photography and yearbook educational partners;
- 6) help implement and advocate for more effective policies and procedures that promote healthy business behaviors and security for our industry’s protection in the United States and its territories;
- 7) assist in the promotion, protection, preservation, education, and advocacy for the school photography and yearbook industry across the United States and its territories;
- 8) help facilitate and oversee the legal recourse in copyright and licensing in connection with school photography and yearbooks;
- 9) implement and oversee standards of ethical behavior in representatives marketing school photography and yearbooks;
- 10) to establish industry wide partnerships that help facilitate the promotion, protection and preservation of the school photography and yearbook industry;
- 11) develop programs that leverage purchasing volume to decrease industry costs for members
- 12) take all other appropriate action in furtherance of such purposes.

Section 2. **Limitation:** The Association shall be non-political, non-sectarian, and non-partisan. The words non-political, non-sectarian and non-partisan as used herein shall be construed to mean solely that the Association shall not engage in any activities in favor of or opposing the election of any candidate for office or any political party, group or faction. The words non-political or non-partisan shall not be construed to prevent discussion or action or recommendation thereon of any of the purposes of this organization as set forth in these Bylaws.

The Association shall observe all local, state, and federal laws which apply to non-profit organizations as defined in Section 501 (c) (6) of the Internal Revenue Code of 1954, as amended.

ARTICLE III

Membership

Section 1. Eligibility: All persons, firms and corporations interested in school photography, yearbooks, or who desire to preserve and promote the objects of the Association, shall be eligible for membership.

Section 2. Application: All applications for membership shall be in writing to the Association, said application constituting an agreement on the part of the applicant, if elected, to adhere to all Bylaws, policies, and procedures adopted by the membership and Board of Directors for the Association (the "Governing Board").

Section 3. Admission: The admission of an applicant to membership shall be recommended by the President and presented for approval by the Executive Board. No individual may be denied membership on the basis of race, color, religion, sex, age, national or ethnic origin, sexual orientation, gender identity or gender expression, disability, or veteran status.

Section 4. Membership Classes. Members of the Association shall consist of:

- 1) **Company Member.** Any company engaged in school photography or yearbooks may become a Company Member upon approval of the Executive Board and payment of annual dues. Such membership cannot be transferred or assigned. Any chief executive officer or equivalent position of a Company Member shall be entitled to cast a vote on behalf of a Company Member.
- 2) **Friends of Industry – Vendor/Supplier Member.** Any person or company that is a service provider, contractor, or sponsor of a company engaged in school photography may become a Friends of Industry Member upon approval of the Executive Board and payment of annual dues.
- 3) **Retired Member.** Any person who is a retired employee of a company engaged in school photography or yearbooks may become a Retired Member upon approval of the Executive Board and payment of annual dues.
- 4) **Education Partners.** Any person who is an educator in public or private schools may become an Education Partners Member upon approval of the Executive Board and payment of annual dues.
- 5) **Employee Member.** Any person who is an employee of a Company Member and designated by the Company Member may become an Employee Member upon approval of the Executive Board.
- 6) **International Member.** A international person or company with limited membership that gives access to resources and information as well as access to working groups.
- 7) **Franchise Member.** Any person who is a franchisee of a company member may receive all benefits of the company member minus voting.

Section 5. Dues: The Executive Board may recommend from time to time the amount of annual dues for each class of membership payable to the Association by members and present to the Governing Board for approval. Subject to limitations in these Bylaws, the Executive Board may, subsequent to fixing the dues for a fiscal year, recommend an increase or diminish the amount thereof during such fiscal year for approval by the Governing Board. Dues for membership shall be for a twelve (12) month period ending on the anniversary date of approval of membership.

Section 6. Forfeiture: If any member shall fail to pay dues within sixty (60) days from the date payable, the membership shall be forfeited. The Executive Board, by majority vote, shall have authority to determine the conditions for the reinstatement of any member whose membership has been forfeited because of nonpayment of dues.

Section 7. Resignations: All resignations by members shall be tendered to the President of the Association in writing. The President shall report to the Governing Board all resignations received.

Section 8. Expulsion: Any member may be expelled for cause by resolution passed by two-thirds (2/3) of the entire Governing Board at any meeting called for this purpose. Such member shall be notified of the grounds, which may include such member's engagement of self-dealing activities or other matters contrary to the purposes of the Association or corresponding public policy, for expulsion and of the intention of the Governing Board to consider expulsion and shall be given the opportunity to be heard before the Governing Board. Passage of such resolution shall, without other act on the part of the Governing Board, terminate such membership. For cause shall include, but not limited to:

- 1) Breach of contract with third parties, including schools, school districts, government municipalities, and industry vendors.
- 2) Commission of, conviction for, plea of guilty or nolo contendere to a felony or a crime involving moral turpitude, or other material act or omission involving dishonesty or fraud.
- 3) Failure to pay local, state, or federal taxes when due.
- 4) Failure to adhere to these Bylaws, the Family Educational Rights and Privacy Act, and any other local, state, or federal laws governing the protection of minors.
- 5) Failure to adhere to all local, state and federal hiring requirements for school personnel including but not limited to screening employees and conducting criminal background checks.
- 6) Failure to adhere to local, state or federal intellectual property rights including but not limited to licensing and copyright.
- 7) Engaging in conduct which is demonstrably and materially injurious to the Association or its subsidiaries, monetarily or otherwise.
- 8) Violation of a local, federal or state law or regulation applicable to the Member's business.
- 9) Engaging in improper business practices including but not limited to providing anything of value to any company or person, including government officials, in order to improperly influence the recipient of such thing of value to enter into a business relationship.

ARTICLE IV

Executive Board

Section 1. Composition: The Executive Board shall, by virtue of their responsibility, include:

- 1) President
- 2) Vice President
- 3) Vice President Elect
- 4) Executive Director
- 5) Elected Committee Chairs

Section 2. Appointment: Each company member will have one vote each year during elections to elect and appoint available Executive Board Chairs. Elected Chairs shall serve a two (2) year term. Officers of the Executive Board will be elected by the Governing Board and current Executive Board members. In order to serve as an Executive Board Officer, you must have served on the Executive Board or Governing Board for at least 1 year.

Section 3. **General Responsibility:** The Executive Board shall possess and exercise the powers of the Governing Board between meetings of the Governing Board. In addition to such powers as may be extended to the Executive Board, the Executive Board shall:

- 1) Articulate the mission of the Association, recommend short term and long range goals to be considered and voted upon by the Governing Board, and establish procedures necessary for effective operation of the association.
- 2) Receive from the members, resolutions for consideration by the Governing Board. The Executive Board shall recommend to the Governing Board those resolutions approved by majority vote of the Executive Board. The Executive Board may also initiate resolutions for consideration by the Governing Board.
- 3) Review resolutions submitted by the Governing Board and by two-third (2/3) vote veto any resolutions deemed contrary to the interests of the Association or in conflict with these Bylaws.
- 4) Develop and submit the Association's legislative agenda to the Governing Board for approval.
- 5) Approve election guidelines, including appeal and complaint procedure as submitted by the Membership Committee.
- 6) Develop, maintain and audit the certification process of Certified Companies by the Association.
- 7) Monitor the implementation of the Association's programs, consent agenda, resolutions and legislative agenda.
- 8) Authorize the appointment of special commissions and committees.
- 9) Propose possible amendments to the Bylaws to the Governing Board.
- 10) Provide discussion topics for the agenda for each meeting of the Governing Board.
- 11) Every three (3) years, review the composition of each chair and make recommendations for modifications to the Governing Board the following year.
- 12) Develop and submit to the Governing Board a code of ethical behavior for the profession of school photographers.
- 13) Establish procedures for conducting investigations and applying sanctions where a breach of ethics is proven.
- 14) Propose and approve an annual subsidy to be paid to the President in consideration for the President's devotion of his/her time and attention to the Association.

Section 4. **Meetings:** Unless otherwise stated, notice for all Executive Board meetings and, unless extraordinary circumstances dictate otherwise, for any special meeting thereof, stating the time and place of such meetings and the purposes for which the meeting is called, shall be emailed and posted to respective members of the Executive Board at least twenty (20) days prior to the meeting date. Special meetings of the Executive Board may be called by the President or in their absence, by the Vice President and or Executive Director. More than fifty percent (50%) of the members of the Executive Board shall constitute a quorum of any meeting. In the absence of a quorum, the meeting may be adjourned subject to call by the President or the presiding officer of the meeting. Meetings shall be open to members of the Governing Board, provided, however, that two-thirds (2/3) of the members of the Executive Board may request that the meeting be closed. Governing board members are non-voting participants at Executive Board meetings. Any action which may be taken at any meeting of the Executive Board may be taken without such meeting by one or more written documents signed by all members of the Executive Board setting forth the action to be taken. The Executive Board may hold a meeting by conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Any action taken by such means by the Executive Board shall be of the same force and effect as if a regular meeting authorized by these Bylaws took place. If an Executive Board member has two (2) or more inexcusable absences from Executive Board meetings within a fiscal year, he or she can be removed from their respective position by the President and/or the Executive Director. An excusable absence shall be an absence due to illness or unavoidable emergency situations relating to either personal or professional

matters. Once an Executive Board member has two (2) inexcusable absences, a letter will go out from the President to the Executive Board member that they will be removed from their position, followed by notification to the Executive Board, Governing Board members, and their committee members (if any). There shall be monthly meetings except for the months of October, March, and December.

ARTICLE V

Governing Board

Section 1. Authority: All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of the Governing Board.

Section 2. Size: The Governing Board shall consist of eleven (11) members appointed by the Founders (as defined below) (each a “Founder Seat”), four (4) company members elected by Company Membership during elections. These At-Large Company seats will be two (2) year seats. Founder Seats are not transferable by Founders to others, nor may Founder Seats be acquired by others. In the event any Founder is combined with another Founder (e.g., through merger or acquisition), the merged/acquired Founder shall no longer have the right to appoint a person to fill a Founder Seat and the Founder Seat shall then become an At-Large Open Seat that can only be filled by a company member. In addition, if a Founder is combined with a non-Founder company, the non-Founder entity does not acquire the Founder Seat. Instead, the Founder Seat becomes an At-Large Open Seat that can only be filled by a company member.

Section 3. Appointment: Cady Studios, LLC; DC Squared, LLC; Dorian Studio, Inc.; GPI, Inc.; HR Imaging Partners, Inc.; Inter-State Studio & Publishing Co.; Texas School Photography, LLC; Rekut Photographic, Inc.; Strawbridge Studios Inc.; Visual Image Photography Inc.; and Hal Wagner Studios, Inc. (the “Founders”) may each appoint one (1) member to a Founder Seat on the Governing Board in July of each year. Each person appointed to a Founder Seat must be employed by the respective appointing company and remain employed with the respective appointing company at all times while serving on the Governing Board. All Founder Appointments must be in good standing in order to maintain their status and seat within the Governing Board.

The elected At-Large Seats shall serve staggered two (2) year terms with two (2) members elected each year. Each person appointed to a Founder Seat must be a member of the Association in good standing. All members of the Governing Board shall have voting privileges and shall be subject to any and all restrictions, responsibilities, and/or regulations as apply to the Governing Board members as set forth in the Bylaws except for the length of the term they serve.

Section 3. Responsibility: The Governing Board shall serve as the governing body of the Association with full and complete authority, power, and discretion to manage and control the business, affairs, and properties of the Association, to make all decisions regarding those matters, and to perform any and all other acts or activities incident to the management of the Association. The Governing Board shall determine the mission and prepare, or cause to be prepared, a program of work which shall act as the plan for accomplishing the Association’s mission (the “Program of Work”). The Governing Board shall have the power to create such administrative committees as the Governing Board may from time to time deem advisable for the efficient operation of the Association. If and when such committees are created, the Governing Board shall define the scope of the committee’s work at the time of their creation. The Governing Board may establish such other specialized committees as may be required to or beneficial in accomplishing the Program of Work. The Governing Board by two-third (2/3) vote may change the composition of the Executive Board and Chapters (defined below). Each member of the Governing Board shall assist in the Association’s advocacy efforts by writing letters and emails, making telephone calls, and visiting local, state, and federal policymakers.

Section 4. Term of Office: The term of office for each person holding a Founder Seat of the Governing Board shall be one (1) year. Any person holding a Founder Seat may be re-appointed and serve consecutive terms; provided, however, if a person holding a Founder Seat is later elected to an At-Large Seat such person may not be appointed to hold a Founder Seat again. The term of any person holding an At-Large Seat shall be two (2) consecutive years Any person holding an At-Large Seat may be re-elected for a second consecutive two (2) year term or serve additional terms; provided, however no person holding an At-Large Seat may serve more than four (4) consecutive years on the Governing Board and a four (4) year period must elapse after the fourth consecutive year of service as a member of the Governing Board before the member is eligible to serve again as a member of the Governing Board.

Section 5. Meetings: The Governing Board has been vested with the responsibility of furthering the purpose of the Association and making certain that appropriate programs are implemented to accomplish that purpose. To meet these responsibilities it is expected that each Governing Board Member will use his/her best efforts to attend each of the regular monthly meetings. During the fiscal year there will be two (2) mandatory in person meetings, which one of these two will be held at the annual conference, and ten (10) remote meetings each at a day and hour established by the Governing Board. Notwithstanding the preceding, the Governing Board, in its discretion, may agree not to meet any particular month at its discretion. Special meetings of the Board may be called by the Chairman or by written request of five (5) Governing Board members. Meetings will be closed to all members of the Association; with the exception the President of the Executive Board may attend Governing Board meetings as a non-voting participant. Any other Association Members may request in writing to the Executive Director at least 1 week prior to the scheduled meeting to join the opening of the Governing Board meetings to ask questions or present a topic for no more than 2 minutes per person. Members of the Governing Board who miss more than three (3) consecutive meetings or more than four (4) in a year without reasonable cause may be deemed by the Board to have resigned from the Board. Any action which may be taken at any meeting of the Governing Board may be taken without such meeting by one or more written documents signed by all members of the Governing Board setting forth the action to be taken. The Governing Board may hold a meeting by conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Any action taken by such means by the Governing Board shall be of the same force and effect as if a regular meeting authorized by these Bylaws took place.

Governing Board members may have a proxy to act for them, including exercising voting rights, at a Board meeting under limited circumstances and only as provided in this Section. As a first necessary step, a written request to have a proxy must be sent to the Executive Director or Chairman prior to the meeting. If the request is granted, there are two ways for a Board member to have a proxy. One way is to give the proxy to an existing Governing Board member. The second way is to give the proxy to another employee of the Governing Board member's company. A Governing Board member may only use proxies twice within any twelve month period, unless an exception is granted by the Executive Director or Chairman due to exigent circumstances. Use of a proxy is counted as a missed meeting by the Governing Board member, including for purposes of satisfying attendance requirements.

Section 7. Vacancy: In the event any Member of the Board should for any reason cease to be a Board Member before expiration of their term, the Executive Director shall facilitate a special election with 20 days publicly announcing parties of interest, to all members through mail and email, then facilitating 20 days of promotion of candidates, on social media and on one open webinar. Then the Executive Director will hold the special election between the 40th and 50th day for membership to be able to vote. Voting will be taken in some sort of online platform that keeps votes and archives. Final votes will be reviewed by all officers of the association to validate before announcing the new board member. If such unexpired term is for an At-Large Seat and for twelve (12) months or less, notwithstanding the provisions of Section 4 of this Article, the unexpired term shall not count against the person holding the At-Large Seat for service on the Governing Board.

Section 8. Quorum: A majority of the members of the Governing Board shall constitute a quorum and any majority of such quorum shall constitute the action of the Governing Board unless otherwise provided herein.

Section 9. Indemnification: The Association may, by resolution of the Governing Board, provide for indemnification by the Association of any current or former Governing Board member against expenses actually and necessarily incurred in connection with the defense of any actions, suit, or proceeding in which they are made a party by reason of having been a Governing Board member of the Association to the fullest extent allowed by law.

ARTICLE VI

Officers

Section 1. Officers: The officers of the Association shall consist of the Executive Director and the following positions of the Governing Board: The Chairman, the Treasurer, and the Treasurer Elect, as well as the following from the Executive Board: The President, Vice President, and Vice President Elect. All officers shall serve a two (2) year term and the Executive Director shall serve until he/she is no longer the acting Executive Director. In the case of an At-Large Governing Board Member, being elected an officer position, their term shall immediately extend till the term of the office is completed. Additionally, the Executive Director shall serve as the Secretary or assign a staff person to facilitate the actions of a secretary for the Governing Board. Each officer shall write at least four (4) letters per year to state and federal educational leadership, attend at least one policy day, make a minimum of six (6) social media posts supporting the industry and speak at the annual conference and assigned state or national educational invitations.

Section 2. The election process is to be handled by the Election Committee which consists of the Executive Director, the Chairman of the Governing Board for its elections, and the President of the Executive Board for its elections.

2.1 Election of Governing Board Officers- All officers must be members of the Governing Board and must also currently own and or be an executive of a company engaged in school photography or yearbook industry. Candidates interested in being an officer must submit the candidate information packet to the Executive Director and Chairman for recommendation to the board members. No officer may serve on another board of another school photography association.

a. An election will be held every two (2) years for the Treasurer Elect to advance to the Chairman and Treasurer positions. Anyone interested in serving these positions must be willing to serve as a Governing Board Officer for (6) years. These officers are to be elected by the Governing Board at the leadership summit with a minimum of 14 Governing Board members voting.

2.2 Election of Executive Board Officers- All officers must be members of the Association and must also currently work for or own a company engaged in school photography or yearbook industry or own or work for a supplier or business partner of the industry. Candidates interested in being an officer must submit the candidate information packet to the Executive Director and President for recommendation to the Election Committee. Any industry supplier or business partner that is elected to the Executive Board, must recuse themselves when discussing business partner and sponsorships. In addition, they should not represent their company in any marketing or sales solicitations to members. No officer may serve on another board of another school photography association.

a. An election will be held every two (2) years for the Vice President Elect to advance to the Vice President and eventually President positions. Anyone interested in serving these positions must be willing to serve as an Executive Board Officer for (6) years. These officers are to be elected by entire membership during the election process after recommendation by the Election Committee.

Section 3. Duties of Officers:

- 1) Chairman of the Governing Board: The Chairman shall be the legislative head of the Association and shall preside at all meetings of the membership and the Governing Board. He/she shall oversee strategic direction and shall work closely with the Executive Director to fulfill the mission and vision of the Association. Chairman shall facilitate a biannual performance review of the Executive Director. The Chairman should, when schedule allows, attend Executive Board meetings to consistently understand the strategic direction of the Association.
- 2) President: The President shall lead and facilitate Executive Board meetings and shall help support, encourage, and give guidance to committee chairs in order to facilitate the mission and vision of the Association. The President shall publicly encourage membership, participation, and advocacy for all members at all times. He/she shall travel when needed to speak on behalf of the Association and to advance our causes. The President should, when schedule allows, attend Governing Board meetings to consistently understand the strategic direction of the Association. However, they have no Governing Board voting power during those meetings.
- 3) Vice President: The Vice President should focus on membership growth and elections as well as be an advocate for both boards. The Vice President should help facilitate both the leadership summit and annual conference. In the case of vacancy in the office of President, the Vice President shall immediately succeed to the office of President and serve for the remainder of the term. The vacated office of Vice President shall be filled by a majority vote of the members of the Executive Board and Governing Board.
- 4) Vice President Elect: The Vice President Elect should focus helping chairs gain committee members and help the executive director gain partnerships and sponsors. They should also help in the planning and execution of the annual leadership summit and annual conference. In case of vacancy in the office of Vice President, the Vice President Elect shall immediately succeed to the office of Vice President and serve for the remainder of the term. The vacated office of Vice President Elect shall be filled by a majority vote of the members of the Executive Board.
- 5) Executive Director: The Executive Director shall be the Chief Executive Officer of the Association. The Executive Director shall be selected by the Governing Board and receive a term contract and salary for his/her services. The Executive Director, or his designee, shall keep a complete and accurate record of the proceedings of all meetings of the Governing Board and of the Executive Committee and shall conduct the business of the Association pursuant to these Bylaws and the policies of the Association. The Executive Director shall communicate with the President and the Chairman on a regular basis. The Executive Director shall be responsible for the day to day business activities of the Association. The Executive Director shall receive all monies due the Association and deposit or invests such monies as directed by the appointed independent accounting/auditing firm (the "Accountant") who is responsible for managing the finances of the Association. The Accountant shall report directly to the Governing Board and not the Executive Director. The Executive Director shall meet all financial guidelines set by the Accountant and must obtain approval from the Accountant prior to engaging in any conduct not set forth in the guidelines. The Executive Director shall implement Association policies, make such business arrangements and other transactions as are feasible, practical, and in the best interest of the Association. The Executive Director shall arrange for an audit by a Certified Public Accountant and provide a written report of the audit to the Association. The Executive Director shall keep a list of members of the Association and these shall only be shared on an as needed basis in furtherance of these Bylaws. The Executive Director shall not share any confidential or proprietary information of any company members with other members of the organization without written consent. The Executive Director shall

submit an annual report to the Governing Board. He/she shall be responsible for employment, direction and supervision of all employees, interns and consultants. He/she shall conduct regular staff meetings. With the assistance of the Treasurer, he/she shall be responsible for preparation of the operating budget covering all activities of the Association subject to approval and adoption by the Governing Board. He/she shall be responsible for all expenditures in accordance with the approved budget allocation. He/she or a designated staff member shall serve as secretary of all standing and ad hoc committees. If the Executive Director is allowed to vote on any matter relating to compensation for the Executive Director, he/she will recuse themselves from any such votes. If Executive Director is recused for any matter requiring a report to the Governing Board, the Board Chairman and/or Treasurer shall make such report to the Governing Board.

- 6) Treasurer: The Treasurer, the President and the Budget and Finance Committee, with approval of the Governing Board, shall be responsible for establishing the budget necessary to meet the requirements of the Association's operations. He/she shall be technical custodian of all funds of the Association. The Treasurer and President shall make a recommendation to the Board annually to approve a qualified Certified Public Accountant to perform an audit of the Association's financial accounts at the close of each fiscal year. Upon its completion, the annual audit and management letter shall be promptly submitted to the Governing Board for review, and if acceptable, approval. The Treasurer shall, with the approval of the Governing Board, review the current banking and make recommendations for change if needed.
- 7) Treasurer Elect: The Treasurer Elect will serve on the finance committee and review expense payments and in absence of treasurer be the second to approve daily and monthly expense payments based on bylaws for finance management. This person will help build annual the annual budget with the Executive Director and staff to present to the finance committee prior to review by the Governing Board.

Section 4. Term Starting Date: The term starting date of office of all elected officers of the Association shall begin on the first of July of each fiscal year.

Section 5. Indemnification: The Association, may by resolution of the Governing Board, provide for indemnification of any and all of its officers or former officers against expenses actually and necessarily incurred by them in connection with the defense of any actions, suit, or proceeding in which they or any one of them are made parties or a party by reason of having been officers of the Association, to the fullest extent allowed by law.

ARTICLE VII

Committees

Section 1. Committees: The Chairman, President, and Executive Director, subject to the approval of the Governing Board, shall be authorized to form such committees and appoint such Committee Chairs as they may deem necessary and desirable.

Section 2. Committee Responsibilities: It shall be the responsibility of administrative (standing) committees to assist and advise the Governing Board and the President in the administrative functions of the Association. Such assistance and advice shall take the form of investigation and recommendations within the bounds of general procedures and statements of policy laid down by the Governing Board to guide such action. It shall be the responsibility of the Program of Work committees to work on program goals subject to and within the bounds of the direction of the Executive Director and the Governing Board. Actions taken by the ad hoc committees shall be reported to the Governing Board by the Executive Director and Chairman as necessary to keep the Governing Board informed.

Section 3. Committee Chairs: The Executive Director may appoint committee chairs to standing and ad hoc committees upon approval of the Governing Board.

Section 4. Committee Members: All committee members must be members of the Association in good standing. Committee members shall be reviewed by each chair and be approved by the Executive Director. Each committee shall strive to recruit a minimum of three (3) members.

Section 5. Committee Performance Review: The Executive Director, Chairman, Chairman Elect, Treasurer, Treasurer Elect, President, Vice President, Vice President Elect shall meet quarterly to review committee chair performance, expectations and accomplishments.

ARTICLE VIII

Membership Meetings

Section 1. Annual Meetings: As a North Carolina non-profit corporation, the Association is required to hold an annual meeting of its members. This annual meeting of the membership shall be an opportunity for the officers of the Association to present to Association members a summary of the Association sponsored programs and events and shall also be used as an opportunity to allow Association members to give input on programs and ideas of interest to the members. This meeting shall be held in conjunction with the Association's national conference as determined by the Governing Board. The time and place of such meeting shall be sent to each member by written notice not less than ten (10) days prior to the time of such fixed meeting.

Section 2. Special Meetings: Special meetings of members may be called at any time by the Chairman, President and or the Executive Director. Notice of special meetings of the members must be given not less than five (5) business days prior to the time set for such meetings and/or by mailing or by email such notices to the members in good standing whose names appear upon such rolls.

Section 3. Membership Quorum: Unless otherwise required by law, the members present at any regular or special meeting of the membership shall constitute a quorum.

ARTICLE IX

Financial Control, Debts and Obligations

Section 1. Financial Control: All revenues received by the Association will be deposited within one (1) business day in the banking institution approved for that purpose by the Governing Board. The Accountant shall be appointed by the Governing Board each year. This firm shall manage and oversee all monies and expenses by the Association. Monthly reports shall be generated for review at Governing Board meetings. This firm shall report directly to the Chairman of the Board and the Governing Board. All checks will require two signatures and will be signed by the accountant and one of the following positions: Chairman, Chairman Elect, Treasurer, Treasurer Elect or other such officer so designated by the Governing Board. All persons authorized to sign checks shall be bonded for an amount approved by the Governing Board. There will be an annual independent audit performed by the Accountant or an auditing firm chosen by the Governing Board. The Governing Board must approve any loan, building contract, property acquisition or other such similar act by at least a two-thirds vote.

Section 2. Creation: No debt obligation shall be created or incurred by any officer, employee, or agent on behalf of the Association, no monies shall be appropriated, expended or paid out of the general fund and no contract or other binding obligation of any officer, employee, or agent of this Association, the

terms or result of which creates any debt or obligation, shall be in any manner binding upon this Association unless the same is authorized by the Governing Board or in the budget of this Association approved by the Governing Board, or unless the same respectively shall be authorized and directed or ratified by the Governing Board. The Governing Board shall establish a monthly budget for credit card usage by the Executive Director and staff to simplify accounting and keep all records by the authorized accounting firm instantaneous.

Section 3. Payment of Obligations: All bills shall be paid by the Executive Director or the Accountant. Each payment with supporting documentation shall be filed at the end of each month with the statements from the bank of the Association and reviewed with the Chairman and Treasurer.

ARTICLE X

Amendments

Section 1. Procedures: The Bylaws of the Association may be amended or altered by a two-third (2/3) vote of the members of the Governing Board during any regular or special meeting of the Governing Board provided that the notice for the meeting includes a statement that amendment of the Bylaws will be considered at the meeting and shall contain the full text of the proposed amendment or amendments which shall be sent not later than ten (10) days prior to the meeting at which the proposed amendments will be considered.

ARTICLE XI

Dissolution

Section 1. Procedures: The Association shall use its funds only to accomplish the objects and purposes specified in these Bylaws and its Articles of Incorporation, and no part of said funds shall inure, or be distributed, to the members of the Association. On dissolution of the Association any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific, or philanthropic organizations exempt from taxation under Section 501 (c) of the Internal Revenue Code of 1954, as amended, which shall be selected by the Governing Board.

ARTICLE XII

Fiscal Year

Section 1. Fiscal Year: The fiscal year of the Association shall begin on the 1st day of July and end on the last day of June in each year.

ARTICLE XIII

Parliamentary Rules

Section 1. Procedures: The proceedings of all meetings of the Governing Board, the Executive Board, and administrative committees shall be governed by and conducted according to the latest edition of Robert's Rules of Order.

ARTICLE XIV

Charters

Section 1. Organization: The establishment of local or area school photography associations, hereinafter referred to as Chapters, throughout the United States shall be encouraged and promoted. All possible assistance shall be rendered to them by the Association. Any Chapter addition or resignation shall be approved by the Governing Board.

Section 2. Purpose: The primary purpose of a Chapter shall be to undertake programs and projects local in nature, with the Association undertaking state-wide programs and coordinating the efforts of all Chapters.

Section 3. Approval: Chapters within specified geographic areas may be established when a minimum of ten (10) active members petition the Governing Board to be established with the assistance and approval of the Association, subject to the approval of the Governing Board. Proposed bylaws shall be furnished by the Association to the Chapter. Said bylaws, upon adoption and approval by the Governing Board of the Association, shall conform substantially with the proposed bylaws developed by the Association and shall be governed by these Bylaws. The Chapter bylaws may not be amended or modified without the prior approval of the Association Governing Board. Programs, fund raising activities and all other projects shall be left to the Chapter, subject to any appropriate oversight by the Association as to any federal implications. Chapters of the Association are not allowed to invoice or collect dues from members. All member dues shall be paid directly to the Association. Profits from fund raising activities remain with the Chapters, and losses are the liability of that Chapter. All liabilities incurred by a Chapter, including from fundraising activities, revenue losses, lawsuits, legal liabilities and all actions, are the sole responsibility and obligation of that Chapter. The Chapters will hold the Association harmless from any and all of the Chapters' local activities. Since the Chapters are not separate legal entities, all assets of the Chapters are assets of the Association, and as such the assets of the Chapters may only be used to further the mission of the Association. Approval of the Association Governing Board shall be required for any Chapter to merge, affiliate, or identify with any organization, committee, association, or corporation. No Chapter may withdraw or disassociate from the Association.

Section 4. Membership: Membership in the Association entitles such member to apply for membership in a local Chapter should a Chapter exist in such member's area. No additional local dues may be assessed for Chapter membership. Membership in the local Chapter is conditioned upon approval by the local Chapter.

Section 5. Financial Statement: By August 1 of each year, each Chapter must submit complete financial statements to the Association to be kept in the Association's files, including any and all information that may be needed for the Association's IRS Form 990 filing. The Association's IRS Form 990 will include the Chapter's financial statements at the Association's expense, but any federal or state or local taxes that may be due based on a Chapter's activities will be borne by and are the responsibility of the Chapter. In the event a Chapter fails to timely submit its financial statements to the Association, the Association will suspend the payment of the quarterly rebate to such Chapter until such complete and accurate financial statements are provided in full to the Association.

Section 6. Association Membership: Any person or company must first affiliate with and become a member of the Association in order to possibly become a member of a Chapter. If person or company loses

its membership in the Association for any reason, such person or company shall no longer be eligible for Chapter membership.

Section 7. Chapter Revocation: Established Chapters may be revoked by majority vote of the Association's Governing Board if membership falls below ten (10) active members, or if there is no one willing to take a leadership role within the Chapter. Any Chapter may be suspended or revoked for cause by a two-thirds (2/3) vote of the Association's Governing Board. Sufficient cause for such suspension or revocation shall be a violation of these Bylaws, the Chapter's Bylaws, or a rule of practice adopted by the Association, or any other conduct prejudicial to the interests of the Association. Prior to suspension or revocation of a Chapter for cause, a statement of the charges shall be mailed to the Chapter President at least fifteen (15) days prior to the date the Governing Board shall meet to consider the charges. Chapter officers shall have the opportunity to appear in person or by authorized representative to present any defense to such charges prior to final action by the Governing Board of the Association. In the event a Chapter is suspended or revoked by the Governing Board for cause, the Chapter officers shall disburse all of its assets by paying all debts and obligations and then placing any remaining assets in an escrow account to be administered by the Association. Escrow account funds shall be reserved for use in establishing a new Chapter in the same locality unless the Governing Board of the Association decides otherwise in which case the escrow account funds shall be distributed as applicable pursuant to the Code.

Section 8. Contractual Partnerships: Partnerships with local chambers of commerce, convention and visitors bureaus, and school photography associations may be developed on a contractual basis by the Association in order to grow membership in a geographical region. The Association's Governing Board must approve by a majority vote all contractual partnerships developed by the Association with any such organization.

ARTICLE XV

General

Section 1. Separation from Employment: In the case of involuntary or voluntary separation of employment from a company engaged in school photography by an officer, member, or Board of Director, such person may serve the remainder of his or her term as long as she or he is not in breach of an employment agreement with their previous employer. However, the Governing Board may reserve the right to review the separation and may deem it appropriate for that person not to continue to serve the remainder of their term and may ask the Executive Director to launch a special election to replace the seat.

Section 2. Waiver of Notice: Any person or entity entitled to vote may make written waiver of any notice required to be given under the provisions of the North Carolina Not-for-Profit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the Association before, at, or after a meeting. The waiver shall be filed with the person designated to act as secretary of the meeting who shall enter it upon the records of the meeting. Appearance at a meeting is deemed a waiver unless it is solely for the purpose of asserting the illegality of the meeting.

Section 3. Adoption: These Bylaws shall become effective immediately upon adoption by the Governing Board.

Section 4. Conflict of Interest: A member of the Governing Board having a conflict of interest or a conflict of responsibility on any matter involving the Association and any other business or person shall refrain from voting on such matter. No Board of Director or officer shall use his or her position as a member of the Governing Board or officer of the Association for his or her own direct or indirect financial gain. In

addition to the foregoing, the Association shall be governed by the Conflict of Interest Policy set forth in Rider 1, attached hereto.

Rider 1

Conflict of Interest Policy

Article I **Purpose**

The purpose of the conflict of interest policy is to protect the Association's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association 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.

Article II **Definitions**

1. **Interested Person.** Any director, 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 Association has a transaction or arrangement;

(b) A compensation arrangement with the Association or with any entity or individual with which the Association 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 Association 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. Under Article III, Section 2, 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.

Article III
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 meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Governing Board 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 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 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 shall determine whether the Association 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 more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association'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 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 determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV
Records of Proceedings

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

1. 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 decision as to whether a conflict of interest in fact existed.

2. 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 pleadings.

Article V
Compensation

1. A voting member of the governing board who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI
Annual Statements

Each officer, all governing board members, and all executive board members shall annually sign a statement which affirms such person:

- (a) Has received a copy of the conflict of interest policy;
- (b) Has read and understands the policy;
- (c) Has agreed to comply with the policy; and
- (d) Understands the Association 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.

Article VII
Periodic Reviews

To ensure the Association 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 Corporations conform to the Association'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.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Association 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.