

# Pastel Society of Colorado Board Meeting Minutes

August 22, 2009

Attendees: Susan Smith, Mike Ray, Sue McKelvy, Bev Lee, Mike Ray, Pat Daggett, Gail Posner, Kathy Imel, Diane Fechenbach (guest), Carol McIntyre (guest)

Call meeting to order – Sue McKelvy. Quorum present.

1. Approve minutes from May board meeting – Kathy Imel  
- move to accept (with correction to Albert Handell spelling) by Norbert Nagel; motion carried unanimously.

2. Reports:

a. Treasurer's report – Carri Currier (absent, sent report)  
- Carri distributed financial reports ahead of time (see attached)  
- Sue reviewed the highlights from Carri's email: as of 8/21, we have \$3805.74 in the checking account, and at least \$5125.35 in the CD; overall, we are ahead by \$1469.02 for the year; the Mile High show, to date, has lost \$117.71; the Members Show made \$233.99; the aprons have brought in \$277 for the year (all expenses were charged in 2008)

- motion to accept by Mike Ray; motion carried unanimously

b. Membership report – Penny Creasy (absent)  
- no report  
- Diane Fechenbach noted that we should see in an increase in our membership numbers in Penny's next report as a number of people joined for the National Show

c. Programs - Gail Posner  
- October: Bev Lee will demo in Denver  
- November: Clive Tyler has agreed to do demo  
- Gail would like to have someone else take over this job  
- there will be no member meeting in September at the ASL, but there will be a Board meeting on September 12 at 10AM until finished

d. Paint outs: Mike Ray, Kathy Imel, Norbert Nagel  
- September: Walden paint out and silent auction fundraiser  
- October: Cheyenne Mountain Zoo  
- November: Denver historic houses

e. Mile High National: 2009, 2010 – Diane Fechenbach  
- 2009: have had a few inquiries for sales, but no sales to date; she and the other two Dianas are meeting next week to debrief and summarize results, will have for Sept board meeting

- 2010: Art Center in Grand Junction; all contracts signed
- 2011: talking to Curtis about hosting; has contract with Richard McKinley, beginning of August thru beginning Sept tentative

- f. Members show 2009 – Bev Lee for Penny Creasy
  - had 3 sales; lots of folks attended
  - Sue M. expressed thanks to both Bev and Penny

- g. Awards – Mike Ray
  - gave one to Thompson Valley Art League, one to Palisade show, 2 to Glenwood Springs Art Guild

- h. Signature membership – Diane Edwards (absent)
  - no report

- i. Newsletter – Ann Willoughby (absent)
  - no report
  - Sue M. added that we need a replacement for Ann for next year
  - Bev indicated that Lise MacGregor might be interested but needs to know how much time it takes

### 3. Old business

- a. Dues Increase – Sue McKelvy
  - dues have been at \$25 for several years; we are in the black but there has been an erosion in the balance; we now pay \$75 for demos and she thinks we should up that to \$100 if we want to continue to get good artists; she suggested raising due to \$30 per year
  - Carri (in email) recommended having two rates: \$27 for e-newsletter and \$30 for hardcopy
  - Susan Smith suggested a fixed number (\$30) for e-copy and have those who want a hardcopy pay an additional \$5
  - Pat thought a \$10 increase for the hardcopy folks was too much of a jump
  - Kathy suggested that perhaps we jump the dues to \$30 for next year and give people one year notice of the extra \$5 cost in 2011 for hardcopy
  - no decision was made; discussion tabled until September board meeting

- b. BOD Elections/Nominations – Sue McKelvy
  - vacancies: Secretary, Treasurer, Programs, Newsletter, VP – East Slope, VP – West Slope (Penny Creasy may be interested)
  - Kathy suggested that we explore getting a CPA type for Treasurer who is interested in pastel but not necessarily an artist (for example, might be an art collector), perhaps for pro bono requirements
  - no nominations were made at the meeting

- c. Art Outreach Project (Grand Junction) – Sue McKelvy for Penny Creasy
  - Board has already voted to fund for next year
  - Sue would like to see the East slope group come up with a program idea as well

- Gail said she would be willing to explore some possibilities for a services project
- Carri had indicated some possibility with the at risk kids, but no written proposal has been received to date
- Pat suggested going into schools and doing portraits in low income schools; students get the painting to keep; could also consider senior centers for portraits

d. Plein Air Paintouts – Sue McKelvy

- Sue has some concerns that there is no similar activity for the West Slope
- Bev said she has promoted it, but found no interest in her membership
- Sue also brought up the idea of having a special exhibit of the paint out pieces that have been done, if someone can be found to organize the show

e. Signature member master level changes – Diane Edwards

- no report

f. By-laws changes - Kathy Imel

- Kathy distributed the suggested changes to the by-laws to establish term limits for Directors (see attached); in summary, Directors would serve two-year terms, with the ability to be re-elected for three consecutive terms (6 years total), then would have to step down for at least one year before running again; Officers serve one-year terms, but can be re-elected an unlimited number of times.
- Mike Ray moved acceptance of the proposed changes to the by-laws, Bev Lee seconded, motion carried unanimously
- Kathy will have Karl post the latest version of the By-laws on the web site
- Kathy will work up a spreadsheet showing the dates of initial appointment for the next BOD meeting

4. New Business

a. Mile High National concerns

- Sue M. discussed making sure that the rules and requirements are as concise, clear as possible
- Susan Smith felt that the folks who get disqualified are less than courteous in their reaction, and they need to be made very aware of their impact on others
- Diane F. said that whatever we do, we need to be consistent from year to year
- Sue M. would like everyone to come to the September BOD meeting with their list of items
- Carri (by email) said that we need to be consistent and have everything written down
- further discussion was tabled until the September BOD meeting

b. Budgeting for East Slope and West Slope activities

- Carri sent info that each slope spent about \$650 for meetings (rental and demos)
- Sue M. suggested that we look at past expenses to more accurately project futures
- Kathy suggested that there needs to be a more formal budget process for the organization as a whole with a budget created for all expenses for the upcoming year; Board agreed

- Sue M. asked that there be a special BOD meeting in November just addressing the budget; Board agreed
- Sue M. asked Diane F. to review the last 5 years of Mile High expenses/income and use that to project next year's budget for Mile High and provide to BOD in November

c. Demos for other art groups, roster, management of PSC contacts

- Sue M. would like to see our outreach increased, but is not sure how to do this
- wants BOD to come to Sept meeting with lists of other groups who might want demos and of artists who might be available to demo to us, or list of our artists who would be willing to demo to other groups
- Sue M. volunteered to take this on as a project when she becomes Immediate Past President

d. Workshops: Handell and Strand, dates, availability, recommendations for other workshops

- Handell: full (22 + one on waitlist); he wants us to keep signing people up on the wait list; since all people registered are with PSC, he thinks this is a "private workshop" with what should be a guaranteed payment for 22 people; that is the only way to keep him from squeezing in more people from the waitlist at the end
- Sue M. indicated she was not comfortable with obligating the organization to the potential cost of \$595 times 22 people; Board agreed
- Board asked Diane F. to go back to Albert and get him to agree to hold the max at 22 instead of him letting others in that are on the waitlist; Norbert offered to call Albert to discuss this

e. North Park paint out and fund-raiser, 9/25-26

- already covered above

f. Mile High National 2010, 2010 Members show venue? Date? Needs?

- details to be covered in September BOD meeting

g. Kudos to volunteers, officers and committee chairs

- Sue M. thinks that we should recognize/reward people for outstanding performance (for example, Carri Currier for her contribution to getting the 501(c)3 designation); she says the max monetary contribution can only be \$25, so need to come up with some other creative ways to do it; she'd like a policy set for future, with a budget

c. Any other new business

- as follow-up to previous BOD request, Kathy announced that the minutes for the approved BOD meeting minutes for 2009 are now available on the website
- Carol M. announced an income idea: charge \$5 for any attendees at meetings/demos who are non-members

- Diane F. requested that there be a way to get the online roster online; Kathy volunteered to talk to Penny/Ann and see if there is an easy way to get this into an electronic format for distribution to the BOD and to certain Committee chairs

- Sue M. thanked the BOD formally for their easiness to work with, enthusiasm and professionalism and said it was a pleasure to work with them during her tenure.

Meeting was adjourned at 12:20PM.

Respectfully submitted,  
Kathy Imel  
Secretary

Pastel Society of Colorado  
**Balance Sheet**  
As of August 21, 2009

Aug 21, 09

**ASSETS**

**Current Assets**

**Checking/Savings**

VectraBank Colorado 3,805.74

**Total Checking/Savings** 3,805.74

**Other Current Assets**

**CD**

Interest 125.35

CD - Other 5,000.00

**Total CD** 5,125.35

**Total Other Current Assets** 5,125.35

**Total Current Assets** 8,931.09

**TOTAL ASSETS** 8,931.09

**LIABILITIES & EQUITY**

**Equity**

Opening Bal Equity 6,192.68

Retained Earnings 1,269.39

Net Income 1,469.02

**Total Equity** 8,931.09

**TOTAL LIABILITIES & EQUITY** 8,931.09

**Pastel Society of Colorado**  
**Profit & Loss**  
January 1 through August 21, 2009

	<u>Aprons</u>	<u>East Slope</u>	<u>Members Show 2009</u>	<u>Natl 2008 Show</u>	<u>Natl 2009</u>	<u>West Slope</u>	<u>Unclassified</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
Advertising/Newsletter	0.00	0.00	0.00	0.00	0.00	0.00	20.00	20.00
Commission	0.00	0.00	0.00	137.00	0.00	0.00	0.00	137.00
Interest on CD	0.00	0.00	0.00	0.00	0.00	0.00	20.59	20.59
<b>Members Shows Income</b>								
Entry fees	0.00	0.00	1,005.00	0.00	955.00	0.00	0.00	1,960.00
<b>Total Members Shows Income</b>	<b>0.00</b>	<b>0.00</b>	<b>1,005.00</b>	<b>0.00</b>	<b>955.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,960.00</b>
Membership Dues Income	0.00	0.00	0.00	0.00	0.00	0.00	3,850.00	3,850.00
<b>Mile High National Shows</b>								
Color Catlg	0.00	0.00	0.00	0.00	245.00	0.00	0.00	245.00
Entry fees	0.00	0.00	0.00	210.00	1,095.00	0.00	0.00	1,305.00
Workshop fees	0.00	0.00	0.00	0.00	9,000.00	0.00	0.00	9,000.00
<b>Total Mile High National Shows</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>210.00</b>	<b>10,340.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10,550.00</b>
Product Sales	234.50	0.00	0.00	0.00	0.00	0.00	0.00	234.50
Signature Membership	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00
<b>Total Income</b>	<b>234.50</b>	<b>0.00</b>	<b>1,005.00</b>	<b>347.00</b>	<b>11,295.00</b>	<b>0.00</b>	<b>3,940.59</b>	<b>16,822.09</b>
<b>Expense</b>								
Aprons	7.50	0.00	0.00	0.00	0.00	0.00	0.00	7.50
Awards for Exhibit/Show	0.00	0.00	0.00	0.00	1,042.76	0.00	88.47	1,131.23
Contributions	0.00	0.00	0.00	0.00	0.00	25.00	50.00	75.00
Dues and Subscriptions	0.00	0.00	0.00	0.00	0.00	0.00	150.00	150.00
<b>Meetings</b>								
Demonstration expense	0.00	375.00	0.00	0.00	0.00	450.00	0.00	825.00
Room rental	0.00	180.00	0.00	0.00	0.00	175.00	0.00	355.00
<b>Total Meetings</b>	<b>0.00</b>	<b>555.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>625.00</b>	<b>0.00</b>	<b>1,180.00</b>
<b>Members Shows</b>								
Spring 2009	0.00	0.00	600.00	0.00	0.00	0.00	0.00	600.00
<b>Total Members Shows</b>	<b>0.00</b>	<b>0.00</b>	<b>600.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>600.00</b>

**Pastel Society of Colorado**  
**Profit & Loss**  
January 1 through August 21, 2009

	<u>Aprons</u>	<u>East Slope</u>	<u>Members Show 2009</u>	<u>Natl 2008 Show</u>	<u>Natl 2009</u>	<u>West Slope</u>	<u>Unclassified</u>	<u>TOTAL</u>
<b>Mile High National 2009</b>	0.00	0.00	0.00	0.00	165.60	0.00	0.00	165.60
<b>Total Mile High National</b>	0.00	0.00	0.00	0.00	165.60	0.00	0.00	165.60
<b>Newsletter</b>	0.00	0.00	0.00	0.00	0.00	0.00	546.53	546.53
<b>Office Supplies</b>	0.00	0.00	0.00	0.00	69.08	0.00	174.03	243.11
<b>Postage and Delivery</b>	0.00	0.00	88.95	0.00	288.06	0.00	461.79	838.80
<b>Printing and Reproduction</b>	0.00	0.00	82.06	0.00	411.66	0.00	204.92	698.64
<b>Professional Fees</b>								
<b>Accounting</b>	0.00	0.00	0.00	0.00	0.00	0.00	175.00	175.00
<b>Total Professional Fees</b>	0.00	0.00	0.00	0.00	0.00	0.00	175.00	175.00
<b>Travel &amp; Ent</b>								
<b>Board Meeting Lunch</b>	0.00	63.11	0.00	0.00	0.00	0.00	0.00	63.11
<b>Meals</b>	0.00	43.00	0.00	0.00	0.00	0.00	0.00	43.00
<b>Travel</b>	0.00	0.00	0.00	0.00	385.55	0.00	0.00	385.55
<b>Total Travel &amp; Ent</b>	0.00	106.11	0.00	0.00	385.55	0.00	0.00	491.66
<b>Workshop fees &amp; expenses</b>	0.00	0.00	0.00	0.00	9,050.00	0.00	0.00	9,050.00
<b>Total Expense</b>	<u>7.50</u>	<u>661.11</u>	<u>771.01</u>	<u>0.00</u>	<u>11,412.71</u>	<u>650.00</u>	<u>1,850.74</u>	<u>15,353.07</u>
<b>Net Ordinary Income</b>	<u>227.00</u>	<u>-661.11</u>	<u>233.99</u>	<u>347.00</u>	<u>-117.71</u>	<u>-650.00</u>	<u>2,089.85</u>	<u>1,469.02</u>
<b>Net Income</b>	<u><u>227.00</u></u>	<u><u>-661.11</u></u>	<u><u>233.99</u></u>	<u><u>347.00</u></u>	<u><u>-117.71</u></u>	<u><u>-650.00</u></u>	<u><u>2,089.85</u></u>	<u><u>1,469.02</u></u>

## **BYLAWS OF THE PASTEL SOCIETY OF COLORADO**

Pursuant to the provisions of the Colorado Non-Profit Corporation Act, the Undersigned Corporation, pursuant to a resolution duly adopted by its membership hereby adopts the following Bylaws.

### **ARTICLE I Name:**

The Name of the Corporation is:  
PASTEL SOCIETY OF COLORADO aka PSC

### **ARTICLE II Life of the corporation:**

The period of its duration is perpetual.

### **ARTICLE III Objects:**

The goals of the PSC are: to encourage the use and understanding of pastels, provide education about pastels and promote the use of pastels as a viable painting medium. To advance these goals, the Corporation will utilize, but is not limited to:

- (A) Pastel Shows
- (B) Workshops
- (C) Lectures
- (D) Demonstrations
- (E) Symposia
- (F) Awards and Donations at Art Shows

### **ARTICLE IV Parliamentary Authority:**

The rules contained in the Modern Edition of Robert's Rules of Order shall govern, except where they are inconsistent with the Laws of the State of Colorado.

### **ARTICLE V Membership:**

#### Section 1.

There shall be four membership categories: Associate, Patron, Honorary and Signature.

- (A) Associate: These are artists or interested persons who have been admitted to membership in PSC and whose dues are current. Associate members shall have full voting privileges and are eligible to serve on the Board of Directors.
- (B) Patron: an Associate Member paying double or more dues.
- (C) Honorary: An Honorary Membership may be granted by a unanimous vote of the Boards of Directors and approval of the Membership to any person who has made a significant contribution to PSC.
- (D) Signature: An Associate Member meeting the established signature criteria.
- (E) Spouses of member will be encouraged to participate in all PSC activities, and will have all privileges except voting and holding office.

#### Section 2.

There will be no restriction to membership and participation in PSC due to race, age, color, creed, gender or sexual orientation.

### **ARTICLE VI Dues:**

#### Section 1.

Dues are determined by the Membership and are non-transferable. The dues period will be from January 1 through December 31 and are payable in January. Any new member joining the PSC after the September General Meeting will be in good standing for the remainder of the current year and for the following year.

Section 2.

The annual dues in PSC are set by the Board of Directors, and are subject to change by a vote of the Board at the Annual Meeting, for all classifications of membership.

**ARTICLE VII Dissolution:**

No part of the income or assets of the Corporation shall be distributed to, or inure to, the benefit of any individual. Upon dissolution of the Corporation, assets on hand shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

**ARTICLE VIII Powers:**

The Corporation, acting through its Board of Directors, shall have the general powers to adopt and alter Bylaws, amend its Articles of Incorporation, consolidate or merge with any other corporation, and exercise every right, power and privilege necessary, incident or pertaining to its business, object or purposes, and to conduct its affairs as a non-profit corporation under the laws of the State of Colorado.

**ARTICLE IX Board of Directors:**

Section 1.

The management of this Corporation shall be under the control of a Boards of Directors. The Board of Directors shall consist of the President and/or Co-Presidents, the Eastern Vice President, the Western Vice President, the Secretary, the Treasurer, the immediate Past President, and one at large Director for each 25 members, or a fraction thereof, calculated on the date the nominating committee reports (i.e., if on the date the nominating committee reports there are 215 members in good standing, the ballot will provide for the election of 9 at large Directors, in addition to Officers). At large Directors will be elected by the membership.

Section 2.

The quorum for meetings of the Board of Directors shall consist of five (5) members of the Board. The quorum shall have at least two officers of the Corporation present.

(A) Motions may be made and votes may be cast by Board Members by E-mail or by telephone or telefax.

(B) Motions brought before the Board shall be adopted when approved by a majority of the Board or by a majority of the Board members present if there is a quorum at any Board meeting or by a majority of a quorum obtained by electronic means as stated below (par. IX.2.C.).

(C) The Board may meet and propose motions if at least 5 members are present, but may not approve a motion until a quorum is obtained by telephone, Email, telefax or at a reconvened meeting where a quorum is present.

Section 3.

The Board shall meet when requested to do so by two or more members of the Board.

(A) All meetings of the Board shall be open to all members.

(B) A member may be included on the Agenda if one week's notice has been forwarded to the Chairman.

Section 4.

If any officer cannot complete the term for any reason, the directors then in office, may choose, by a majority vote, a successor. The first order of business at any meeting following creation of a vacancy of an officer of the Board of Directors shall be the filling of said vacancy by the Board.

Section 5.

An officer or member of the Board of Directors shall be recalled from office if requested by a majority of the Board.

Section 6.

The Board of Directors shall meet a minimum of four times annually or at such times as they deem necessary.

**ARTICLE X Duties of Officers:**

The duties of the officers are as follows:

Section 1. Duties of the President:

- (A) The President(s) will inform himself/herself of the procedures set forth in the Parliamentary Authority concerning the duties of the office and proceed wherefrom.
- (B) The President(s) shall appoint the chairpersons of the standing committees and in conjunction with the chairperson select the members of these committees.
- (C) The President(s) will be one of the authorized signatures on the PSC bank account, contracts, or other instruments authorized by the Board of Directors.
- (D) During the year following his/her term of office, he/she will serve as a member of the Board of Directors with full voting privileges thereon.
- (E) The President(s) will sign, or approve in writing the signing by another officer of the Board, all contracts or other non-monetary instruments authorized by the Board of Directors.

Section 2. Duties of the Eastern Vice President:

- (A) The Eastern Vice President will inform himself/herself concerning the duties of the office and proceed wherefrom.
- (B) The duties of the Eastern Vice President are as set forth in the Parliamentary Authority.
- (C) In the absence of a President(s) from the Eastern Region, the Eastern VP will act as President in organizing, structuring and running the events of the Eastern Region meetings.

Section 3. Duties of the Western Vice President:

- (A) The Western Vice President will inform himself/herself concerning the duties of the office and proceed wherefrom.
- (B) The duties of the Western Vice President are as set forth in the Parliamentary Authority.
- (C) In the absence of a President(s) from the Western Region, the Western VP will act as President in organizing, structuring and running the events of the Western Region meetings.

Section 4. Duties of the Secretary:

- (A) The Secretary will inform himself/herself of the procedures set forth in the Parliamentary Authority concerning the duties of the office and proceed wherefrom.
- (B) The Secretary of PSC is also the Secretary of the Board of Directors.
- (C) The Secretary shall assume the duties of the President in the absence of the President(s) and Vice Presidents.

Section 5. Duties of the Treasurer:

- (A) The Treasurer will inform himself/herself of the procedures set forth in the Parliamentary Authority concerning the duties of the office and proceed wherefrom.

(B) The Treasurer will keep a record of all financial transactions of the PSC. This record will be kept current and available for audit by any authorized agency.

(C) The Treasurer shall have charge of the PSC checking account, be the liaison with the bank, and be the primary signature on all checks.

(D) The Treasurer and/or another authorized signatory will have the ability to sign all PSC checks in the amount of \$1000 or less. For amounts over \$1000, the Treasurer can sign with the written approval of the President(s).

#### **ARTICLE XI Election of Officers:**

##### Section 1.

The officers shall be elected by ballot by members of good standing. The ballot shall be distributed in the November newsletter. All of the Officers of the Corporation shall hold their offices for one year, beginning January 1 and ending December 31, and be eligible for additional consecutive terms, without limitation.

##### Section 2.

Ballots: The Board of Directors shall instruct the Nominating Committee to prepare ballots listing the nominees, including spaces for write-in candidates and include any proposed changes to the Bylaws.

##### Section 3.

The ballots must be returned by mail or handed to the Membership Committee Chair by December 31.

##### Section 4.

A Director, but not Officers, shall serve a two-year term and is eligible for election for two additional terms. A Director, who has served three terms, may be re-elected after one year following his or her completion of a third term.

#### **ARTICLE XII Meetings:**

##### Section 1.

There will be a minimum of six general meetings including the Annual Meeting at a time and place decided by the board of Directors.

##### Section 2.

A general meeting in September shall be known as the Annual Meeting, and shall be for the purpose of: receiving annual reports, amending the Bylaws and conducting any other business that may arise.

#### **ARTICLE XIII Committees:**

##### Section 1. Standing Committees:

(A) Standing Committees and duties of such shall consist of:

1) Membership –

The Membership Committee shall record the ballots in the general election and report the results to the Board; receive applications for new and renewing membership; and keep a current list of active members.

2) National Show Committee –

The National Show Committee shall organize all of the events and activities associated with the annual Mile High National Show. Any out-of-town travel expenses of the National Show Chair and committee members will be reimbursed by PSC at the then applicable GSA rate.

3) Programs –

The Program Committee shall arrange for the educational programs to be conducted at the meetings of the members, and any other special programs as the Board may request.

4) Newsletter –

The Newsletter Committee shall prepare the PSC newsletter, to be issued 6 times per year.

5) Signature Membership Qualification –

The Signature Membership Committee shall review applications for signature membership, verify whether the applicant has met the criteria, and bring the names of the qualified applicants to the Board for approval.

6) Nominating –

The President shall appoint a Nominating Committee 70 days prior November 1. This committee shall consist of two or more members. The nominating committee shall present a slate of candidates to the Board of Directors no later than the September Annual Meeting.

(B) When a standing committee is appointed, its duties will be enumerated in the By-laws.

**Section 2. Special Committees:**

Such special committees or ad hoc committees as may be deemed necessary by the Board shall be appointed by the Board.

**ARTICLE XIV Indemnification:**

**Section 1.**

The Corporation does hereby indemnify to the maximum extent legally permissible each Director and Officer and former Director and Officer of the Corporation, and each individual who served at its request as a director, officer or trustee of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with or arising out of any threatened or pending or completed claim, action, suit, proceeding, issue or matter of whatever nature, whether civil, criminal, legislative, administrative or investigative, in which he or she may be involved as a party or otherwise by reason of his or her being or having been such Director, Officer, director, officer or trustee.

**Section 2.**

This indemnification includes amounts paid or incurred in connection with reasonable settlements if made with a view to this curtailment of the costs of litigation.

**Section 3.**

This indemnification includes amounts paid or incurred in connection with acts of negligence, whether liability on the part of such Director, Officer, director, officer or trustee exists as to the Corporation, its Directors, Officers, agents or employees or as to third parties, including creditors.

**Section 4.**

This indemnification also extends to any criminal action, suit, investigation or proceeding, provided that the same shall be dismissed against such Director, Officer, director, officer or trustee or that he or she shall have been found not guilty. Such indemnification likewise extends to a criminal action, suit, investigation or proceeding that is terminated by a plea of nolo contendere, or its equivalent, to a charge of misdemeanor, provided that the conduct complained of on the part of the Director, Officer, director, officer or trustee was done in good faith and with the belief that it was in the best interest of the Corporation and on the reasonable assumption of its legality.

Section 5.

No such reimbursement or indemnification shall relate to any expense incurred in connection with any matter as to which such Director, Officer, director, officer or trustee has been adjudged to be liable for gross negligence or misconduct in the performance of his or her duty to the Corporation, exclusive of issues or matters not related to the conduct on which the judgment was based, unless and only to the extent that the court in which the action or suit was brought shall determine that despite such adjudication of liability and in view of all the circumstances of the case, such Director, Officer, director, officer or trustee is fairly and reasonably entitled to indemnification for those expenses that the court shall deem proper.

Section 6.

The indemnification provided by the by-law shall not be deemed exclusive of any other rights which such Director, Officer, director, officer or trustee may have under any agreement, vote of the Board of Directors or otherwise.

Section 7.

No indemnification shall be made under this Article XIV if such indemnification would result in any liability for tax under chapter 42 of the Internal Revenue Code of 1986.

Section 8.

Every provision of this Article XIV is intended to be severable, and if any term or provision is invalid for any reason whatsoever, such invalidity shall not affect the validity of the remainder of this Article XIV.

Approved the 22<sup>nd</sup> day of August, 2009

A handwritten signature in black ink, appearing to read 'Kathy J. Imel', is written over a light gray rectangular background.

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Kathy J. Imel, Secretary