

Bylaws
of the
American Creativity Association
As revised by the Board of Directors on April 3, 2008

These bylaws constitute the code of rules adopted by the American Creativity Association, a Texas nonprofit corporation, for the regulation and management of its affairs.

ARTICLE 1
Registered Office and Registered Agent

Registered Office and Registered Agent - The Association shall comply with the requirements of the Texas Nonprofit Corporation Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Association's principal office. The Board of Directors may, from time to time, change the registered office and the registered agent.

ARTICLE 2
Purpose

The purpose of the Association shall be as provided in Article II of the Articles of Incorporation. Thus the Association's activities shall include, but are not limited to the following:

- (1) developing and publishing a newsletter/magazine that will highlight the creative process and creative activities in society;
- (2) developing and publishing a formal research journal that will stimulate and promote creativity research efforts;
- (3) organizing and sponsoring regional meetings and an annual convention to facilitate the (i) presentation and exchange of new information and ideas relating to creativity, (ii) demonstration of new creativity training techniques, and (iii) stimulation of enthusiasm for the study of creativity;
- (4) disbursing funds to other Section 501(c)(3) organizations whose mission and activities promote the study and development of creativity in society; and
- (5) engaging in any other activity related to promotional investigation of the phenomenon of creativity as deemed appropriate

ARTICLE 3

Membership

- (1) **Membership Classes:** There shall be classes of membership within the Association:
 - a. **Individual Membership** whereby an individual joins ACA in his or her personal capacity. Such membership is not transferable to another person or entity.
 - b. **Institutional Individual Memberships** whereby an institution (e.g., corporation or educational institution) purchases a specific number of memberships for individuals within its institution. Such memberships are transferable to another individual within that institution at such time as the institution advises the Association of that intent.
 - c. **Institutional Corporate Membership** whereby an institution joins the Association as an institution, naming its representative to serve as its liaison with the Association. Such membership is not transferable to another person or entity.
- (2) **Membership:** Membership is based upon an individual's or corporate affiliation with the Association. All individuals who are current in payment of the Association's membership dues shall be considered members in good standing of the American Creativity Association, whether their dues are paid directly to the Association or through one of the Association's chapters, special interest groups, or international affiliates. Failure to timely remit such dues shall terminate membership rights and privileges, if any, and such members shall be removed from the membership role maintained by the Association.
- (3) **Dues:** The Association Board of Directors shall establish the rates of membership dues. Individual chapters and international affiliates may request those engaged in their chapters to pay higher dues; though meeting the Association dues shall make an individual or institution a member of the Association.
- (4) **Dues Collection:** The National Association shall invoice all Association members and potential members, receiving all dues payments and distribute a portion of such dues as shall be determined by Board policy to the appropriate chapters and affiliates for their operational use.
- (5) **Annual Membership Meeting:** The annual meeting of the members of the Association shall be held each year at the Association's annual International Conference or at such other place as the Board of Directors may designate, at such date and hours as the Board of Directors shall determine.
- (6) **Notice of Annual Meetings:** Members shall receive written notice of all annual and special meetings of the Association. Written notice shall state the time and place of the meeting and in the case of a special meeting, the purpose or purposes for which the

meeting is called. Written notice shall be given by mail¹ at least thirty (30) days prior to the meeting to each member at such address as appears on the membership roles of the Association.

- (7) **Member Voting Rights and Meeting:** Each member in good standing shall have one (1) vote at all meetings of the membership. Moreover, an action of the majority of the members present at a meeting at which a quorum is present shall be taken as the action of the general membership.
- (8) **Quorum:** A quorum for a meeting of the membership shall be defined as at least ten percent (10%) of the members of the Association.
- (9) **Voting by Proxy:** Proxies shall be allowed on all business before the Membership so long as such proxies are submitted to the Secretary at least 5 working days prior to the meeting at which those proxies are to be exercised, and so long as the Secretary reports to the Membership, at the time of the vote, that such proxies have been received.

ARTICLE 4 Board of Directors

- (1) **Powers** - The Board of Directors of the Association shall control the general management of its affairs. The Board may choose to appoint individuals to any such staff positions as are deemed necessary to carry out the policies and procedures established by the Board of Directors and manage the daily affairs of the Association. In addition to the powers and authorities these bylaws confer on it, the Board of Directors may exercise all such powers of the Association and do all such lawful acts as are directed or required by statute or the Articles of Incorporation of the Association.
- (2) **Qualifications** - Only members in good standing may serve on the Board. Directorships shall not be denied to any person on the basis of race, creed, sex, religion, or national origin. Employees of the Association are ineligible to serve on the Board of Directors.
- (3) **Number and Classes of Directors** - The Board of Directors will consist of 11 to 21 Directors. Upon majority resolution of the Board of Directors, the number of Directors may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent Director, or decreasing the total number of Directors to less than (3) three Directors. All elected Board members shall have both voice and vote so long as they are a member of the Association in good standing. When appropriate, the Executive Committee may appoint an Ex Officio member of the Board, with voice but no vote.

¹ Whenever referred to in these bylaws, the term "mail" is understood to mean either traditional ground/air mail or electronic transmission.

- (4) **Term of Directors** - Directors shall serve terms of 3 years. A Director may succeed himself for only one consecutive term. After serving two consecutive terms, a Director must vacate his or her position for at least one year before seeking re-election to another term, unless he or she is running unopposed.
- (5) **Staggered Terms** - There shall be staggered terms of office for Directors so that one-third of the directorships shall be up for election each year.
- (6) **Election of Directors** - Elections for Directors filling expired terms shall be held at the Annual Board Meeting. Any directorship to be filled by reason of an increase in the number of Directors shall be filled at the next regular meeting of the Board of Directors or at a special meeting called for that purpose. When a re-appointment or replacement is made, the re-appointment or replacement shall be considered effective on the date that the prior term expired (i.e., the new term does not begin on the date of the election).
 - (a) The Board Governance Committee shall serve as the Nominating Committee and submit its slate of Directors and Officers to the Board no later than 7 days prior to the meeting at which Directors and Officers shall be elected to serve.
- (7) **Attendance:** Directors are expected to attend at least 75% of Board meetings in a fiscal year, in person, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation at a meeting shall constitute presence in person at the meeting.
- (8) **Resignation** - Any Director may resign at any time by delivering written notice to the Secretary or President of the Board of Directors. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.
- (9) **Removal** - Any Director may be removed without cause, at any time, by a $\frac{3}{4}$ vote of the entire Board of Directors, at a Regular or Special Meeting called for that purpose.. Any Director under consideration of removal must first be notified about the consideration by written notice at least five days prior to the meeting at which the vote takes place.
- (10) **Vacancies** - Vacancies shall be filled by majority vote of the remaining members of the Board of Directors, though less than a quorum and the Director filling the vacancy shall serve until the next annual meeting of the board of directors. Vacancies shall be filled as soon as practical. Any Director may make nominations to the Governance Committee to fill vacant directorships.
- (11) **Compensation** - Directors and Officers shall not receive any salaries or other compensation for their services, but, by resolution of the Board of Directors, may be reimbursed for any actual expenses incurred in the performance of their duties for the Association. The Board shall establish a policy governing such potential reimbursements at the time it adopts its annual budget. The Association shall not loan money or property to, or guarantee the obligation of, any Director or Officer.

- (12) **Conflict of Interest for Board Membership** - No two Directors may serve at the same time if they are in a supervisory relationship with each other. If such a relationship develops while a Director is serving on the Board, one of the affected Directors shall resign.

ARTICLE 5

Board of Directors Meetings

- (1) **Place of Board Meetings** - Regular and Special Meetings of the Board of Directors will be held at any place that the President may designate.
- (2) **Regular and Special Meetings** - Regular meetings of the Board of Directors shall be held monthly, or as often as deemed necessary by the Board of Directors. Special Meetings may be called by the President, the Executive Committee, or any three Directors.
- (3) **Notice of Board Meetings** - Notice of the date, time, and place of Regular Meetings shall be given to each board member by regular mail, telephone (including voice mail), facsimile, or e-mail no less than 30 days prior to the meeting. Notice of the date, time, and place of special meetings shall be given to each board member using the same methods, but with no less than 5 days notice prior to the meeting, with the exception of special meetings held to amend the Articles of Incorporation or bylaws, for which a 5-day written notice by mail or facsimile shall be required specifying the proposed amendment.
- (4) **Waiver of Notice** - Attendance by a Director at any meeting of the Board of Directors for which the Director did not receive the required notice will constitute a waiver of notice of such meeting unless the Director objects at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called or convened.
- (5) **Quorum** - A majority of the incumbent Directors (not counting vacancies) shall constitute a quorum for the purposes of convening a meeting or conducting business. At Board meetings where a quorum is present, a majority vote of the Directors attending shall constitute an act of the Board unless a greater number is required by the Articles of Incorporation or by any provision of these bylaws.
- (6) **Actions without a Meeting** - Any action required or permitted to be taken by the Board of Directors under the Articles of Incorporation and these bylaws may be taken without a meeting, if all Directors individually and collectively consent in writing or e-mail or facsimile, setting forth the action to be taken. Such written consent shall have the same force and effect as a unanimous vote of the Board.

- (7) **Duties and Expectations of Directors** - A director shall discharge the director's duties in good faith, with ordinary care, in a manner the director reasonably believes to be in the best interest of the Association.
- (8) **Meeting by Telephone** - The Board of Directors, and any committee of the Association may hold a special meeting by telephone in which all persons participating in the meeting can hear each other. The notice of a meeting by telephone should be subject to the same guidelines as other meetings as outlined in Article 5.3. Notice must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person by telephone constitutes presence of that person at the meeting.
- (8) **Voting by Proxy** - Proxies shall be allowed on all business before the Board so long as such proxies are submitted to the Secretary at least 5 working days prior to the meeting at which those proxies are to be exercised, and so long as the Secretary reports to the Board, at the time of the vote, that such proxies have been received.

ARTICLE 6 Committees

- (1) **Executive Committee** - The President and other Officers of the Association (as defined within these bylaws) shall constitute the Executive Committee. The Executive Committee shall have the authority to act on behalf of the Association in between Regular Meetings of the Board of Directors. The Board of Directors must validate the actions of the Executive Committee at its next Regular or Special Meeting. Any such action not so validated will not be legally binding on the Association. The President shall act as chairperson of the executive committee. A majority of the Executive Committee shall constitute a quorum for the transaction of business, and all decisions shall be by majority vote of those present.
- (2) **Board Governance Committee** – The Board shall establish a Board Governance Committee which shall (1) Lead the board in regularly reviewing and updating the board's description of its roles and areas of responsibility and what is expected of individual board members; (2) Lead in assessing current and anticipated needs related to board composition, determining the knowledge, attributes, skills, abilities, influence, and access to resources the board will need to consider to accomplish future work of the board; (3) Identify potential board member candidates and explore their interest and availability for board service; (4) Nominate individuals to be elected as members of the board; (5) Provide candidates with information needed prior to election to the board; (6) Design and oversee a process of board orientation, sharing information needed during the early stages of board service; (7) Design and implement an ongoing program of board information, education, and team building; (8) Initiate periodic assessment of the board's performance, and propose, as appropriate, changes in board structure and operations; (9) Regularly review the board's practices regarding member participation, conflict of

interest, confidentiality, and so on, and suggest needed improvements; (10) Periodically review and update the board policy and practices; (11) Nominate board members for election as board officers; and (12) Nominate individuals to serve on the Advisory Council.

- (2) **Other Committees** - The Board of Directors, by resolution adopted by a majority of the directors in office, may designate other committees. The President shall appoint the Chairperson of each committee. The Chairperson of a committee shall select the committee members and shall present to the Board for confirmation the slate of members and all plans and activities of the committee on a regular basis. The Chair of each committee shall ensure that minutes of the committee meetings are taken and present a copy of the minutes to the Secretary within the two weeks following the meeting. Committee meetings shall be open to all members of the Board of Directors.

ARTICLE 7

Advisory Council

- (1) **Purpose:** The ACA Advisory Council exists to provide advice and counsel on trends in the domain of creative thinking and innovation practice and how the Association can best fulfill its mission given these trends.
- (2) **Selection:** Members of the Advisory Council are nominated by the Board Governance Committee and confirmed by a majority vote of the Board. In recommending and electing Council members, the Governance Committee and Board shall consider the Advisory Board's member's past contributions to the field in general and to the ACA in particular, and to the Advisory Board member's stated commitment to make continuing contributions to the ACA.
- (3) **Term:** Each Council member shall serve for a three (3) year term, at the end of which s/he may be re-nominated for another three (3) year term. There shall be no term-limits for Advisory Council members.
- (4) **Duties and Expectations of Advisory Council Members** – Council members are encouraged to: (1) Become members of the Association; (2) Attend annual ACA conferences; (3) Provide advice and counsel as needed to the President and Board; (4) Recruit new members to the Association; (5) Assist with fundraising and other resource development efforts; (6) Contribute articles to ACA publications and/or encourage others to contribute; and (7) other duties which may be assigned the Council by the Board.

ARTICLE 8
Chapters & Special Interest Groups

- (1) **Purpose:** Chapters and Special Interest Groups are formed based on geographical boundaries or interest areas to promote the vision, mission, and work of the Association as well as to provide Association members with the opportunity to foster connections within their own communities.

- (2) **Authority and Intellectual Freedom:** All chapters operate as subdivisions of the Association, obtaining the right to affiliate with the Association and to be identified as a chapter of the American Creativity Association based on their completion of an Application for Affiliation and a simple majority vote of the Board. Thereupon, the Chapter shall complete other documents as may be required by the Board. Chapters shall establish bylaws consistent with the Association bylaws. All chapters and special interest groups retain the right to exercise their intellectual freedom, so long as such beliefs and actions do not violate the law and do not put the Association at risk.
 - (a) In such cases where a chapter or special interest group may place the Association at risk, the Association shall so advise that entity and request it desist from such action. If the entity does not comply with the request, the Association may discontinue its relationship with that entity, by so notifying its President and Board, in writing, and requiring that entity cease from publicly associating with the Association, in all manners, including the use of the Association's name as part of that entity's name and within its governing and promotional documents, website, and other public and private manifestations of its identity.

- (3) **Definition of a Chapter:** To be a recognized chapter or special interest group of the American Creativity Association, a group must meet five (5) criteria:
 - (a) The group is aligned with the mission, values and vision of the American Creativity Association;
 - (b) The group has an active, working organizational and leadership structure in place;
 - (c) The group maintains a membership roster of at least ten (10) active, dues-paying members;
 - (d) The group offers quality programs and services on a regular basis; and
 - (e) The group agrees to all of the terms and conditions of being an Association chapter or special interest group.

- (4) **Association/Chapter Relationship:** The Association and its chapters and special interest groups exist to be of mutual support and assistance to each other.

Based on this, the Association shall:

- (a) Serve as the nonprofit 501 (c) 3 corporate entity under which all chapters or groups shall operate;
- (b) Allow use of the Association logo and other trademarks by the recognized chapter or group;
- (c) Maintain a database of all Association members;
- (d) Invoice and receive payment of all Association dues;
- (e) Distribute the agreed upon portion of membership dues to each recognized chapter or group;
- (f) Provide infrastructure, operational and programming assistance to chapters as is necessary.

Based on this, the chapters and special interest groups shall:

- (g) Protect the corporate 501 (c) 3 status of the Association by always operating within the guidelines and mandates of the Association and all laws and regulations relating to nonprofit governance and operations;
- (h) Adopt a set of bylaws consistent with those of the Association, which shall become operational upon approval by the Association's Board of Directors or its designee;
- (i) Provide the names and contact information of all affiliated with the chapter or group for inclusion in the Association database;
- (j) Assist Association in the collection of dues to ensure all chapter or group members are Association members in good standing;
- (k) Provide quarterly financial reports to the Association for use in the compilation of required state and federal reports so as to ensure the continuation of the Association's nonprofit status;
- (l) Keep the Association informed of its activities so that these may be posted on the Association's website and shared with other chapters.

ARTICLE 9 Code of Ethics

The Association and its Directors and Employees will comply with the following Code in all of their actions. As long as the Association is in existence, and except with the prior approval of the Board of Directors, no director, officer or employee of the Association shall:

- (a) do any act in violation of these Bylaws or a binding obligation of the Association;
- (b) do any act with the intention of harming the Association or any of its operations;
- (c) do any act that would make it unnecessarily difficult to carry on the intended or ordinary business of the Association;

- (d) receive an improper personal benefit from the operation of the Association;
- (e) use the assets of this Association, directly or indirectly, for any purpose other than carrying on the business of this Association;
- (f) wrongfully transfer or dispose of Association property, including intangible property such as goodwill; and
- (g) use the name of the Association (or any substantially similar name) or any trademark or trade name adopted by the Association, except on behalf of the Association in the ordinary course of the Association's mission.

ARTICLE 10

Officers

- (1) **Roster of Officers** - The Association shall have a president, a vice-president who may serve as a president-elect, a secretary, a treasurer and such other vice-presidents and officers as may be required to oversee and lead major processes within the Association. The Association's officers shall be elected by the Board from amongst its members. As members of the Board of Directors, Officers shall be governed by all portions of these bylaws which relate to Board members.
- (2) **Election, Removal and Term of Office** - All officers shall serve one-year terms. The election shall be conducted at the Annual Board Meeting. Officers shall remain in office until their successors have been selected. Officers may serve up to three (3) consecutive terms within the same office. The election of officers shall be by majority vote of the Board members attending the meeting. Any Officer may be removed without cause, at any time, by a 2/3 vote of the entire Board of Directors, at a Regular or Special Meeting called for that purpose. Any Officer under consideration of removal must first be notified about the consideration by written notice at least five days prior to the meeting at which the vote takes place.
- (3) **Vacancies** - If a vacancy occurs during the term of office for any elected officer, for whatever reason, the Board of Directors shall elect a new officer to fill the remainder of the term as soon as practical, by majority vote of Directors present.
- (4) **President** - The President shall serve as the Chief Executive Officer of the Association and shall perform all duties incident to such office and such other duties as may be provided in these bylaws or as may be prescribed from time to time by the Board of Directors. The President shall preside at all board meetings. The President shall, with the advice of the Board of Directors and in accordance with the requirements of these bylaws, set the agenda for each meeting of the Board of Directors. The President may execute any checks, deeds, mortgages, bonds, contracts, or other instruments that the

Board of Directors has authorized to be executed. However, the President may not execute instruments on behalf of the Association if this power is expressly delegated to another officer or agent of the Association by the Board of Directors, these Bylaws, or statute.

- (5) **Vice-President/ President-Elect** - The Vice President/ President-Elect shall act in place of the President in the event of the President's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required by the board. The Vice-President shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or delegate. S/he may be designated as the President-Elect by a vote of the Board, in which case s/he shall serve as the next President of the Association.
- (6) **Secretary** - The Secretary will perform or be responsible for ensuring that all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these bylaws, including that s/he shall: attest to and keep the bylaws and other legal records of the Association, or copies thereof,; shall take or ensure that someone takes minutes of all meetings of the committees and Board of Directors; shall keep a record of the names and addresses of the Directors; shall, with the approval of the Board of Directors, set up procedures for any elections held by the Association; shall keep a record of all votes cast in such elections; shall ensure that all records of the Association, minutes of all official meetings, and records of all votes, are made available for inspection by any member of the Board of Directors; shall see that all notices are duly given in accordance with these bylaws or as required by law; shall see that all books, reports, statements, certificates, and other documents and records of the Association are properly kept and filed. In the case of the absence or disability of the Secretary, or the Secretary's refusal or neglect to fulfill the duties of Secretary, the Vice President shall perform the functions of the Secretary. The Secretary shall serve as the parliamentarian and interpret any ambiguities of the bylaws.
- (7) **Treasurer** - The Treasurer will perform or be responsible for ensuring that 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 shall be performed, including that s/he shall: have charge and custody of all funds of the Association, will oversee and supervise the financial business of the Association, will render reports and accountings to the Directors as required by the Board of Directors. The Treasurer and the staff of the Association shall devise a plan providing for the acceptance and disbursement of all funds of the Association which shall be approved by the Board of Directors. The Treasurer, with the approval of the Board of Directors, shall set up all checking, savings, and investment accounts of the Association and deposit all such funds in the name of the Association in such accounts. The Treasurer's signature shall be one of the authorized signatures for all checking, savings, and investment accounts of the Association unless the Treasurer, with the approval of the Board of Directors, designates another member of the Board of Directors or employee of the Association as the authorized signatory for a particular type of disbursement. The Treasurer shall be responsible for the presentation a periodic report

for the Board of Directors, providing an accounting of all transactions and of the financial conditions of the Association. The Treasurer shall be responsible for ensuring the maintenance of all financing records, books, and annual reports of the financial activities of the Association and make them available at the request of any member of the Board of Directors for inspection and copying.

ARTICLE 11 Rules of Procedure

The proceedings and business of the Board of Directors shall be governed by *Robert's Rules of Parliamentary Procedure* unless otherwise provided herein.

ARTICLE 12 Operations

- (1) **Execution of Documents** - Unless specifically authorized by the Board of Directors or as otherwise required by law, all final contracts, deeds, conveyances, leases, promissory notes, or legal written instruments executed in the name of and on behalf of the Association shall be signed and executed by the President (or such other person designated by the Board of Directors), following the general authorization of the Board. All conveyances of land by deed shall be signed by the President or two other members of Executive Committee and must be approved by a resolution of the Board of Directors.
- (2) **Disbursement of Funds** - Financial Transactions which have a value of \$5,000 or more (if not included in the annual budget) shall require majority approval of the Board of Directors or Executive Committee if a majority of the Board of Directors is not immediately available to vote on the transaction. In all other transactions, a person or persons duly appointed by the Board to do so may dispense with the funds of the Association in accordance with expenditures approved by the Board of Directors and the purposes of the Association as set out in the Articles of Incorporation and these bylaws. Notwithstanding the above, all checks of more than \$5000 disbursing funds from any of the Association's accounts shall require the signatures of at least two individuals as authorized by Board resolution. For purposes of this clause, "signature" shall include electronic approval.
- (3) **Records** - The Association will keep correct and complete accounting records.
- (4) **Inspection of Books and Records** - All books and records of this Association may be inspected by any Director for any purpose at any reasonable time on written demand.
- (5) **Deposits** - All funds of the Association shall be deposited to the credit of the Association in banks, trust companies, or other depositories that the Board of Directors selects.

- (6) **Loans** - No Loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. The Association will make no loans to any of its Directors or Officers.
- (7) **Gifts** - The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association. The Association may make gifts and give contributions only to an organization exempt from taxation under Section 501(c) (3) of the Internal Revenue Code of 1986, or any successor federal tax code.
- (8) **Fiscal Year** - The fiscal year of the Association shall be the calendar year.

ARTICLE 13

Conflicts of Interest

- (1) The Directors of the American Creativity Association owe a duty of loyalty to the organization which requires that in serving the American Creativity Association they act, not in their personal interests or in the interests of others, but rather solely in the interests of the American Creativity Association. Directors must have undivided allegiance to the American Creativity Association's mission and may not use their positions as Directors, information they have about the American Creativity Association, or the American Creativity Association's property, in a manner that allows them to secure a pecuniary benefit for themselves or their relatives.²
- (2) Business transactions of the American Creativity Association in which a Director has an interest shall not be prohibited, but they shall be subject to close scrutiny. Such proposed transactions shall be reviewed carefully to determine that they are in the best interests of the American Creativity Association and that they will not lead to conflict of interest. For the purposes of this policy, a Director has an interest in a proposed transaction if he/she has a substantial financial interest in it, or has a substantial financial interest in any organization involved in the proposed transaction, or holds a position as trustee, director, general manager, or principal officer in any such organization. Prior to the start of any negotiations, or consideration of any project by the organization, Directors are expected to make full disclosure to the best of their knowledge of any substantial financial interest in a proposed transaction by submitting a report to the President or other officer designated by the Board to handle such matters, supplying any reasons why the transaction might not be in the best interest of the American Creativity Association. In matters requiring prior approval of the Board of Directors, the President or other officer shall forward copies of this disclosure report to the Board before its approval.

² For the purpose of this policy, relative means spouse, parents, siblings, children, grandchildren, the spouses of children and grandchildren, and any other blood relative, if the latter resides in the same household.

- (3) A Director with a substantial interest in a proposed transaction shall not vote on the matter and, depending upon the circumstances, may be excluded from any discussion of the matter.
- (4) A Director shall not use inside information of the American Creativity Association for his/her personal benefit, or use such inside information or his/her position as Director to the detriment of the American Creativity Association. Inside information is information obtained through the Director's position that has not become public information.
- (5) Each Director has a duty to place the interests of the American Creativity Association foremost in any dealings involving the organization and has a continuing responsibility to comply with the requirements of this Policy.

ARTICLE 14 Amendments

Amendment of the Articles of Incorporation shall require a vote of the Membership. The Board of Directors may amend these bylaws by a vote of two-thirds of Directors present at a meeting where a quorum is present and prior to which appropriate notice as defined within these bylaws has been made of the proposed revisions.

ARTICLE 15 Dissolution or Sale of Assets

A unanimous vote of the Board of Directors shall be required to dissolve the Association. Upon dissolution of the Association, any assets remaining after payment of or provision for its debts and liabilities shall, consistent with the purposes of the organization, be paid over to charitable organizations exempt under the provisions of Section 501 (c)(3) of the U.S. Internal Revenue Code or corresponding provisions of subsequently enacted federal law. No part of the net assets or net earnings of the Association shall be paid or distributed to an officer, director, member, employee, or donor of the Association.