



RESTATED BYLAWS

OF

WATERCOLOR SOCIETY OF OREGON

Adopted: October 7, 2018 - Business Meeting of General Membership

Watercolor Society of Oregon is a fully incorporated 501c(7) organization as determined by the Internal Revenue Service, June 3, 1977, and operates under the current laws of the State of Oregon.

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NOTE: The Oregon Nonprofit Corporation Act (ORS Chapter 65) both establishes and limits the powers and procedures available to nonprofit corporations. Where any questions arise about the meaning of these bylaws, or where these bylaws are silent on an issue, the Oregon Nonprofit Corporation Act should be consulted. If you would like assistance in updating, amending or interpreting these bylaws, contact Center for Nonprofit Law.

BYLAWS
OF
WATERCOLOR SOCIETY OF OREGON

ARTICLE I. PURPOSE

Section 1. Purpose. The purposes of Watercolor Society of Oregon are exclusively those allowed for organizations defined under §501(c)(7) of the Internal Revenue Code. Within these limits, the purposes of Watercolor Society of Oregon include the following:

To further the interest of watercolor painting, and;

To hold exhibitions of members' work and to provide educational opportunities both for its members and others interested in the creation and appreciation of the visual arts.

ARTICLE II. NONVOTING MEMBERS

Section 1. Nonvoting Members. Watercolor Society of Oregon may have nonvoting members at the discretion of the Board of Directors.

Section 2. Rights and Obligations of Nonvoting Members. The Board of Directors may by resolution establish categories of nonvoting membership and determine any obligations and privileges of members in those categories. The nonvoting members will not have the power to vote on the election of Directors or members, or to participate in a binding vote on any corporate matters.

Section 3. Dues. Annual dues, if any, will be set by the Board of Directors. Failure to pay required dues automatically disqualifies and terminates nonvoting membership.

Section 4. Subscribers. Subscribers shall be a class of nonvoting members. Subscribers may not enter paintings into shows. Subscribers have the following privileges:

- A. Subscribers will receive the same mailings as the Active members.
- B. Subscribers may attend all workshops, but Active members may be given preferential treatment with regard to space availability.
- C. Subscribers may attend all voting member meetings but have no vote.
- D. Subscribers who reside in Oregon may participate in the video rental program, if such program is offered to Active members.

ARTICLE III. VOTING MEMBERS

Section 1. Classes. There shall be two classes of voting members: Active Members and Lifetime Members (collectively “voting members”). Lifetime Members shall be a subclass of Active Members, with all the rights and obligations of Active members except as otherwise stated herein. Lifetime membership may be conferred on recipients of the Outstanding Service Award.

Section 2. Powers and Purpose of Voting Members. Subject to the provisions of this Article III, Voting members have the power to elect and also to remove the members of the Board of Directors of the corporation, to vote on any amendments to the Bylaws or Articles that relate to the number of Directors, the composition of the Board, the term of office of Directors, or the method or way in which the Directors are elected or selected, and to vote on any other matters properly put before them for an advisory vote by the Board of Directors. The voting members do not have the power to make binding or enforceable decisions on matters reserved for the Board of Directors, including adopting budgets, authorizing expenditures, setting policies, or determining the organization’s programs and activities.

Section 3. Records of Members. The secretary shall ensure that the organization maintains a current, formal, alphabetical record of the names, addresses and status of voting members and nonvoting members.

Section 4. Dues. Annual dues, if any, will be set by the Board of Directors. Failure to pay required dues automatically terminates voting membership. Active members may be reinstated by the Board of Directors pursuant to a reinstatement policy adopted by the Board of Directors. Lifetime members shall not be required to pay dues.

Section 5. Selection of Voting Members. Voting members shall be selected by the Executive Committee of the Board of Directors. If at any time there are no voting members, then the Board of Directors may appoint new voting members even if the composition of the Board of Directors constitutes less than a quorum.

Section 6. Qualifications of Voting Members. Only persons residing in the State of Oregon whose application for membership is approved by the Executive Committee of the Board of Directors may become Active members. The Board of Directors shall establish a policy setting forth the requirements for Active member applications.

Section 7. Suspension or Removal of Voting Members. Active members, including Lifetime members, may be suspended or removed by the Board of Directors for

misconduct which adversely affects the interests or reputation of the corporation as determined at the Board of Directors' sole discretion. Before the Board of Directors can suspend or remove a voting member for misconduct there must be not less than fifteen (15) days prior written notice of the suspension or expulsion to the member, giving the reasons therefore. Further, there must be an opportunity for the member to be heard, orally or in writing, not less than five (5) days before the effective date of the suspension or removal by the Board of Directors, or by a person or persons authorized to decide that the suspension or removal not take place.

Section 8. Resignation of Voting Members. Any voting member may resign at any time by sending or delivering a written resignation to the Secretary of the Corporation. Additionally, whenever a voting member fails to pay dues by or on the date due, the voting member shall automatically be deemed to have resigned.

Section 9. Quorum for Voting Membership Meetings. A quorum will consist of the presence, participation by conference call, or voting by mail, where that is allowed, of at least ten percent (10%) of the voting members.

Section 10. Decision-Making by Voting Members. The affirmative vote of at least a majority of the voting members present at or participating by phone, mail or email in a properly called meeting, for which a quorum has been achieved, is necessary and sufficient to make decisions or pass resolutions by the voting members, unless a greater proportion is required by law, the Articles or bylaws. An abstention counts as part of the total number of votes cast, and does not reduce the number of affirmative votes required to pass a motion. All decisions require a clearly stated motion, a second, and a vote. All motions which are successfully adopted must be recorded in the written minutes.

Section 11. Proxy Voting. Proxy voting will not be allowed at any meeting of the voting members or as part of reaching any decision by the voting members.

Section 12. Participation in Meetings Remotely and Voting By Mail or Email.

A. Members who are not physically present for a membership meeting may participate in, be deemed present in person at and vote at the membership meeting if the Board of Directors authorizes participation by remote communication.

Participation by remote communication is subject to guidelines and procedures that the Board adopts. Before a Board of Directors may authorize members to participate in a membership meeting by remote communication, the corporation shall implement measures to:

- (1) Verify that a person that is participating in the membership meeting by remote communication is a member; and
- (2) Ensure that a member may participate by remote communication in an effective manner.

The corporation shall maintain a record of the vote or other action of a member that participates in a membership meeting by remote communication.

B. A notice of a membership meeting at which the board authorizes participation by remote communication shall state that the board authorizes participation by remote communication and shall describe how a member may notify the corporation that the member intends to participate in the membership meeting by remote communication.

C. Voting by Mail or E-mail may be authorized by the Board or by the voting members. Unless prohibited or limited by the Articles or Bylaws, any action which may be taken at any annual, regular or special meeting of the voting members may be taken without a meeting if the corporation delivers a written ballot to every member entitled to vote on the matter, by mail, fax, or e-mail, as directed by the individual member. The written ballot will: a) set forth each nominee or proposed action; and b) provide an opportunity to vote for each vacant Officer/Board of Directors position, vote for each sub-committee chair position, and for or against each proposed action. Approval by written ballot will be valid only when the number of votes cast by ballot equals or exceeds any quorum required to be present at a meeting authorizing the action. The vote is limited to the subject specified on the ballot.

Section 13. Annual Voting Membership Meeting. There must be an Annual Meeting of the voting members which will be held to elect members to the Board of Directors. It will be held during the fourth (4th) quarter of the calendar year at a time and location determined by resolution of the Board of Directors, if the voting members do not do so, unless the meeting is set for a different period of the year.

Written notice of the Annual Meeting must be sent by first class mail, fax, or email, as directed by the individual member, to all voting members entitled to receive notice, at the address, email, or fax number provided by the member or as it appears in the corporate records, at least fifteen (15) days in advance of the meeting. Alternatively, notice of the Annual Meeting may be included in the organization's regular publication if the publication is sent to all Active Members at least thirty (30) days in advance of the Annual Meeting.

At the Annual Meeting, voting members will hear and consider reports from the Board of Directors, Officers and staff concerning the activities, management and budget of the corporation. Voting members will then elect the members of the Board of Directors, and also vote on any other matters for which proper notice was given. Voting will be by secret ballot if any person so requests. Members may be given the option to vote by mail, fax, or email rather than in person. The failure to hold an Annual Meeting does not affect the validity of any corporate action.

Section 14. Other Voting Membership Meetings.

A. Regular Meetings. The corporation may hold a series of regular meetings of the voting members at times and locations set by the Board of Directors or Officers. A single notice sent by first class mail, email, or fax, as directed by the individual voting member, at least seven (7) days in advance of the beginning of the series of regular meetings will be sufficient and no further notice is required so long as the meeting dates and times which were announced do not change. Alternatively, notice of the series of regular meetings may be included in the organization's regular publication if the publication is sent to all Active Members at least thirty (30) days in advance of the beginning of the series of regular meetings and no further notice is required so long as the meeting dates and times which were announced do not change.

B. Special Meetings. Special meetings of the voting members may be called by the President, by the Board of Directors or by a quorum of the voting members. Notice for a special meeting must be mailed by first class mail, email, or fax, as directed by the individual voting member, at least seven (7) days in advance of the meeting and must specify the purpose(s) for which the meeting is called. Only the business for which a special meeting is called may be considered at the meeting.

Section 15. Content of Notice. The notice must contain the date, time, location and when required, the purpose of the meeting. Notices of special meetings always require a statement of the purpose(s) for which the meeting is called. If amendments to the bylaws or the Articles of Incorporation will be considered, the notice must state this fact and either the exact wording or a summary of the amendments to be considered must be included with the notice.

Section 16. Waiver of Notice. Any voting member may waive the right to receive full advance notice of any meeting. Waivers of notice will be in writing, signed by the person entitled to notice, and will be given to the Secretary to be placed in the corporate records. Waivers may be signed before or after the meeting has taken place. The attendance of a voting member at any meeting without specific objection to improper notice will constitute a waiver of the full notice of that meeting.

Section 17. Record Date. The record date for determining the members entitled to receive notice of a meeting will be the day before the day on which the notice is mailed. The record date to determine the members entitled to vote at a member's meeting will be the date of the meeting.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. Duties of the Board. The Board of Directors shall establish the corporation's policies and review and change them as necessary, oversee its programs, appoint or employ and supervise its staff director, if any, authorize its expenditures, oversee its financial affairs, and ensure the proper management and use of its assets and property. The Board of Directors must also ensure that the

corporation properly employs the necessary corporate formalities to make its decisions, that it prepares and submits all required state and federal reports, and that it operates in compliance with relevant state and federal laws. Members of the Board of Directors must diligently prepare for, attend, and participate in the meetings of the Board of Directors and any Board committees as needed, in order to carry out these tasks. The Board of Directors must meet at least four (4) times per year and shall strive to do this by meeting at least once (1) each quarter of the year. The role of the Board of Directors does not include direct management or conduct of the daily operations of the organization.

Section 2. Qualifications of Directors and Composition of the Board. Nominees for positions on the Board of Directors must have demonstrated a commitment to the mission and purposes of Watercolor Society of Oregon and must have expertise in areas relevant to the needs of the organization.

Section 3. Number of Directors. The Board of Directors must consist no fewer than five (5) and no more than fifteen (15) Directors.

The voting members may create new positions on the Board of Directors by passing a resolution increasing the size of the Board, and then may appoint new Directors at that same meeting or at a later time to fill the newly created positions. Directors appointed in this manner shall serve until the next regularly scheduled annual membership meeting

Section 4. Terms of Directors. Directors will serve two (2) year terms, except the person specially elected to serve the Officer position of Vice President shall serve a one (1) year term. However, unless they formally resign or are removed from office, Directors will remain in office until their successors are properly elected, designated, or appointed. There is no limit to the number of terms, successive or otherwise, a director may serve.

Section 5. Selection of Directors.

A. Designated Directors. The immediately outgoing Vice President shall become the President in the following year and remain on the Board of Directors. The immediately outgoing President shall become the Past President in the following year and remain on the Board of Directors. If a person named in this subsection resigns or refuses to continue their service as indicated herein, such position shall be elected by the voting members in accordance with the election procedures for other Board of Directors positions except the term shall be limited to one (1) year and subject to this Section. Notwithstanding the designation of designated directors, the removal provisions of directors set forth for all other directors shall still apply.

B. Nominations. A committee designated by the Past President and Board of Directors will prepare a slate of nominations for all other Board of Director positions which shall be finalized upon the approval of the Board of Directors. Nominations for members of the Board of Directors may be made by the Board of Directors, by individual Board members or by voting members.

C. Election Process. Each voting member will have the right to vote only for as many persons as there are director positions open on the Board of Directors at the time of the election. The vote must be by a secret ballot if any person so requests.

D. Election Policy and Procedures. The Board of Directors may prepare and adopt by resolution, a formal written policy regarding the details of the Board election process, including requirements for the announcement of elections and the solicitations of nominations, the role of a nominating committee, and the schedule and procedures that must be used to hold elections.

E. Annual Meeting. The election of Directors will take place at the annual meeting of the voting members, which will be held during the last quarter of the calendar year at an exact time and place set by the Board of Directors, unless the Board or the voting members decide by resolution to set it at a different time of the year.

Section 6. Removal of Directors. Directors may be removed with or without cause by resolution of the voting members. Proper notice must be given in advance, as required for an annual membership meeting, or for a regular meeting of the voting members, or as required for a special meeting of the voting members, whichever is appropriate, stating that the removal of a director is to be considered. A director may be removed by majority vote of the Board of Directors for misconduct which adversely affects the interests or reputation of the corporation as determined in the Board of Directors' sole discretion or for missing three or more consecutive meetings of the Board of Directors.

Section 7. Resignation of Directors. A director may resign at any time. The resignation of a Director must be in writing and be delivered to the Board of Directors, its presiding officer, the President, or the Secretary. Once delivered, a notice of resignation is irrevocable.

Section 8. Filling Vacancies. The President shall appoint qualified persons to fill any vacancies on the Board of Directors. A Director appointed to fill a vacancy will serve until the next meeting of the Voting members.

Section 9. Conduct of Directors. Directors must discharge their duty of loyalty and their duty of diligence in good faith with the care an ordinarily prudent person in a like

position would exercise under similar circumstances and in a manner the Director reasonably believes to be in the best interest of the corporation.

Section 10. Quorum. At all meetings of the Board of Directors, the presence or participation of a quorum, which is at least sixty percent (60%) of the number of Directors in office immediately before the meeting begins, is necessary to allow the transaction of corporate business or the making of corporate decisions.

Section 11. Decision-Making and Voting. All decisions require a clearly stated motion, a second, and a vote that must be recorded in the written minutes. Each member of the Board of Directors will have one vote. At the request of any Director, the names will be recorded in the minutes of each Director who voted for, voted against, or abstained on a particular motion.

The Directors must diligently and conscientiously attempt to make decisions by consensus and give careful consideration to minority views. When a consensus apparently cannot be achieved, any Director may request that a vote be taken. The affirmative vote of at least a majority of all of the Directors present at or participating in any properly called meeting at which a quorum is present, is necessary and sufficient to make a decision of the Board of Directors unless a greater proportion is required by law or by these bylaws. An abstention counts as part of the total number of votes cast and does not reduce the number of affirmative votes required to pass a motion.

Section 12. No Proxy Voting. No proxy voting is allowed at any meeting of the Board of Directors or as part of reaching any decision of the Board.

Section 13. Telephonic Meetings. Meetings may be held by telephone, video conferencing or other method, so long as all participating Directors can simultaneously hear and speak with each other. A Director participating in such a meeting is deemed present for purposes of a quorum.

Section 14. Decisions by Mail or Email. Any decision that the Board of Directors may make at a meeting may be made without a meeting if the decision is approved by the affirmative vote of all of the members of the Board. A clearly stated motion must be sent to all of the Directors on the Board of Directors by mail, fax or email, with clear instructions that this process requires one hundred percent (100%) of the Directors to vote "yes" for the motion to pass. If the motion is sent by email then each Director must send their vote by email in reply, in which case no signature is necessary. Motions are adopted and effective on the date that all Directors in office have responded with an affirmative "yes" vote. If any director votes "no," abstains, or fails to vote, then the motion fails to pass. A printed record of each director's vote must be kept in the corporate records.

Section 15. Meetings. The Board of Directors must meet at least four (4) times per year and shall strive to do this by meeting at least once each quarter of the year. Meetings of the Board of Directors may be called by the President or fifty percent (50%) of the Directors in office. Robert's Rules of Order may be consulted for guidance but shall not be binding.

Section 16. Executive Session Meetings. The Board, by resolution, or the President, may at any time decide to go into an Executive Session meeting. Executive Session shall be used when the Board of Directors deems it is necessary to protect the confidentiality of the matters that will be considered there. Executive Session meetings may be attended only by members of the Board of Directors, and any guests the Board invites to join the meeting, or any other person the Board wishes to invite. A Director may only be excluded from any portion of Executive Session meetings in which matters will be considered that present a conflict of interest for that Director. Minutes shall be properly recorded but shall only be read or approved at a subsequent Executive Session if there is a need to continue to insure the confidentiality of the matters contained in the minutes. The Secretary shall take care to record in the minutes only the motions passed and information essential to comply with the law, in order to protect the confidential nature of Executive Sessions.

Section 17. Notice of Meetings. Notice must be given to every member of the Board of every meeting of the Board of Directors, stating the date, time, and location of the meeting, and the purpose of the meeting if so required by law or these bylaws. The notice must be given not less than forty-eight (48) hours in advance of the meeting if delivered by telephone conversation or in person, and not less than seven days in advance if delivered by first class mail, email, or fax to an address provided by the individual Director.

Regular meetings: After the initial notice is given of the schedule for a series of regular meetings, which will occur at a fixed time and place, no further separate notice is required for each of those regular meetings. Notice must state the time, date, and location of the meeting. The Board of Directors may by resolution establish or change the dates of regularly scheduled meetings, with proper notice given to all Directors.

Section 18. Waiver of Notice. Any Director may waive the right to receive full advance notice of any meeting. Waivers of notice must be in writing, signed by the person entitled to notice, and must be given to the Secretary to be placed in the corporate records. Waivers may be signed before or after the meeting has taken place. The attendance of a Director at any meeting without specific objection to the notice constitutes a waiver of the full notice of that meeting.

Section 19. Authority of Directors. The President shall be an official spokesperson for the organization and may represent the organization and its positions whenever appropriate. No member of the Board of Directors other than the President may officially represent the positions of the organization or speak or make agreements on behalf of the organization without specific approval by the Board of Directors to do so.

ARTICLE V. OFFICERS AND STAFF

Section 1. Officers. The Officers of Watercolor Society of Oregon must carry out the policies and decisions of the Board of Directors as directed by the Board. The Officers include a President, Vice President, Past President, Secretary, and Treasurer. The Board of Directors may also elect other Officers as desired.

Section 2. Election of Officers and Terms of Office. Officers shall be elected by the voting members simultaneously with the election of members of the Board of Directors and shall serve terms corresponding to their term on the Board of Directors.

Section 3. Removal. Any Officer removed from the Board of Directors shall automatically be removed from their Officer position.

Section 4. Vacancies. If any office of the corporation becomes vacant by death, resignation, retirement, removal, disqualification, or any other cause, the office shall be filled by the President in accordance with the provision for filling a Board of Director vacancy.

Section 5. President. The President is the principal officer of the corporation and will, in general, supervise or oversee the supervision of all of the affairs of the corporation. The President generally will preside at all meetings of the Board of Directors, unless the Board selects another person to preside. The President will also perform other duties as may be assigned by the Board of Directors. The President may serve as an ex-officio member of any committee.

Section 6. Vice President. In the absence of the President or in the event of the President's inability to act, the Vice President will perform the duties of the president. The Vice President, when acting as President, will have all the powers of and is subject to all the restrictions on the President. The Vice President will also perform other duties assigned by the Board of Directors.

Section 7. Secretary. The Secretary will perform or oversee the performance of the following duties: a) record and keep the minutes of the meetings of the members and of the Board of Directors and of any Board committees, in one or more books provided for that purpose; b) see that all notices are duly given in accordance with the provisions of

these bylaws or as required by law; c) be custodian of the corporate records; d) keep a register of the mailing address of each voting member as provided by such member; e) ensure that all required state and federal reports are prepared and filed in a timely fashion; and f) perform or oversee all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors. The Secretary may delegate some or all of these tasks but remains responsible for their proper completion.

Section 8. Treasurer. The Treasurer will perform or oversee the performance of the following duties: a) be responsible for the proper management and control of all funds of the corporation; b) prepare full and accurate financial records on a timely basis of all the income, expenses and assets of the corporation; c) present reports on the financial affairs of the corporation at least once each quarter at a meeting of the Board of Directors; and d) provide financial information necessary to prepare and file the required reports to state and federal government agencies, showing the income, disbursements, and assets of the corporation. The Treasurer may delegate some or all of these tasks but remains responsible for their proper completion.

Section 9. Past President. The Board of Directors may determine his or her duties.

ARTICLE VI. COMMITTEES

Section 1. Establishment. The Board may establish any committee, including standing committees or temporary committees, by a resolution of the Board. Such resolutions must name the committee and the purpose of the committee. The establishment of an Executive Committee must be done in accordance with the procedures stated below.

Section 2. Executive Committee.

A. The Board may establish an Executive Committee of the Board to make decisions as deemed necessary between meetings of the full Board, and may delegate to the Executive Committee the power of the Board to authorize expenditures and amendments to budgets, set policies, and authorize programs or activities. The Executive Committee shall be established only by the affirmative vote of at least a majority of all Directors then in office. The Executive Committees must consist of two or more Directors who are members of the Board of Directors, and it shall not have any members who are not members of the Board of Directors. The members of the Executive Committee shall be the Officers. The Board may place substantive restrictions or limits on the powers of the Executive Committee, and may also require certain procedures for the Executive Committees to follow. The Executive Committee must make reasonable efforts to communicate with the full Board in advance regarding the issues and decisions that will be considered or voted on at Executive Committee meetings.

B. The Executive Committee must comply with the provisions of the bylaws concerning the meetings and decision of the full Board of Directors, including the requirements for notice, quorum, voting and decision-making, the preparation and subsequent adoption of minutes of Executive Committee meetings, and the permanent storage of those minutes. All Executive Committee decisions must be recorded in official minutes, which must be provided to the full Board. Unless the Board of Directors decides otherwise by the majority vote of all of the Directors in office, the Executive Committee will consist of the President, Vice President, Past President, Secretary, and Treasurer.

Section 3. Other Committees.

A. The Board may establish any other committees it deems appropriate, including a nominating committee, financial oversight committee, budget committee, personnel committee, and any number of working committees and advisory committees. These are all “non-Board committees” which do not have the power to make Board level decisions, authorize expenditures, adopt budgets, set policy, or establish programs. Such committees shall be established by a resolution adopted by the Directors present at a properly called meeting. Any person may be a member of such a committee, whether or not that person is a member of the Board of Directors.

B. Financial Council. As soon as reasonably possible the Board shall establish a committee responsible for financial oversight of the organization’s income and expenses, which shall be named the Finance Council. The committee must consist of two or more persons, including at least one person with some financial experience or experience with bookkeeping, who is not the organization’s check signer or bookkeeper. The committee shall be responsible for overseeing the organization’s financial transactions and the implementation of the organization’s financial policies. As part of its mission, the committee shall review on a regular basis, or oversee a regular review of, the organization’s expenditures, financial transactions, bank statements, returned checks, and credit card statements. The committee shall report any questions or concerns about the organization’s finances to the Board. The committee shall also make the necessary arrangements for and oversee the organization’s annual audit or annual financial review, which is described in these bylaws.

Section 4. Committee Members. The Board shall appoint the members of committees, or for committees other than the Executive Committee the Board may delegate this task to the Board President or the committee chair. The term of office of a member of a committee will continue until his or her successor is appointed unless the committee is terminated, the member resigns or is removed from the committee, or the member ceases to qualify as a member of the committee.

Section 5. Committee Chairs. One member of each committee will be selected or appointed committee chair by the Board, or if the Board wishes, it may delegate that power to the Board President or to the members of the committee.

Section 6. Limitation on Powers. No committee may a) elect, appoint, or remove any Officer, any member of the Board of Directors, or member of the Executive Committee;

b) authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the corporation; c) authorize the dissolution of the corporation or revoke proceedings therefore; d) amend, alter, or repeal the Articles, the bylaws, or any resolution of the Board of Directors; or e) authorize the payment of a dividend or any part of the income or profit of the corporation to its Directors or Officers.

The Board of Directors shall always have the power to amend, alter or repeal the decisions of committees, subject to limitations on the unilateral amending of contracts, interference with third party rights, and other legal limitations.

ARTICLE VII. MISCELLANEOUS PROVISIONS

Section 1. Compensation of Officers and Directors. No Officer or member of the Board of Directors will receive any compensation for fulfilling the responsibilities of a member of the Board or of an officer as defined in these bylaws. However, the corporation may pay compensation to Officers and members of the Board of Directors for other services performed as employees or independent contractors as long as the required rules for conflicts of interest are followed. Members of the Board of Directors and their relatives who receive regular compensation from the corporation must always constitute less than a majority of the Board of Directors. Officers and members of the Board of Directors may be given reimbursement for actual expenses incurred in the course of fulfilling their responsibilities, subject to Board approval.

Section 2. Conflict of Interest. A conflict of interest is always present whenever the corporation pays money or other compensation, or provides any tangible benefits, to an Officer or member of the Board of Directors or to a member of a Director's or Officer's family. All transactions involving conflicts of interest must be approved using the following procedures: 1) Conflict-of-interest transactions must be approved by the full Board of Directors; they cannot be approved by the President, Executive Committee, or any other person acting individually. 2) Directors and Officers who have a conflict of interest in any matter must a) declare the existence of any direct or indirect conflict of interest, b) disclose the details of the proposed transaction on the record, c) abstain from voting on that matter, and d) leave the room where the vote is to take place, until the votes have been counted. The minutes must record this to show that it was done. 3) The rest of the Board of Directors must analyze the transaction and sufficient information to ensure that all transactions involving a conflict of interest are fair to the corporation and that no special benefits are being given to any person. The information relied upon by the Board of Directors, and its

source, must be recorded in the minutes. 4) All conflict-of-interest transactions must be approved by the affirmative vote of a majority of all of the members of the Board of Directors who do not have a conflict of interest involved in that issue, as long as no less than two (2) disinterested Directors vote to approve the transaction.

All Directors and Officers must sign a disclosure of all conflicts of interest and update it if that disclosure needs to be changed.

Section 3. Financial Controls. The Board of Directors shall adopt formal Board policies that provide a system of financial controls that are adequate to prevent the misuse, embezzlement or theft of the organization's funds and assets, and that would discover it if those problems or crimes were to occur. Those financial policies shall require that there must be three (3) separate levels of financial operations, and that those operations shall be performed by different people: 1) those with the authority to spend the organization's money; 2) those who are the bookkeeper(s) who record and track the income and expenditures; and 3) those who oversee the bookkeeping system and the expenditure of funds. This means that the persons who have authority to sign the corporation's checks or use its credit cards shall not be allowed to also serve as the organization's bookkeeper(s); and that the organization's bookkeeper(s) shall not be given permission or authority to spend the organization's money, sign its checks or use its credit cards.

Section 4. Annual Financial Assessment. The Board of Directors must require the performance of an annual audit, financial review, financial compilation or financial assessment, which must involve the services of a trusted person with bookkeeping skills and knowledge, who does not do the bookkeeping for the organization or sign checks for the organization. This need not be a formal audit but must at least involve a sufficiently thorough review of the organization's financial records so that it would likely discover any misuse, embezzlement or theft of the organization's funds or assets.

The financial oversight committee described above shall select the person performing the annual financial assessment and shall ensure that the resulting report is presented to the entire Board of Directors.

Section 5. Tax Year. The tax year of the corporation is the calendar year.

Section 6. No Discrimination. In the delivery of its services to the public, Watercolor Society of Oregon does not discriminate for or against any person on the basis of ethnicity, nationality, place of origin, religion, gender, sexual orientation, marital status, familial status, economic status, age, or mental or physical disability.

ARTICLE VIII. AMENDMENTS

Section 1. Amendment of the Articles of Incorporation and Bylaws. The Board of Directors may amend or restate the Articles or bylaws, and the affirmative vote of at least two-thirds (2/3) of the entire Board of Directors is necessary and sufficient to do so. Provided, however, that only the voting members may approve amendments that relate to the number of directors, the composition of the Board, the term of office of directors, the method or way in which the directors are elected or selected, or the requirement for the organization to have voting members. The affirmative vote of two-thirds (2/3) of all voting members participating in the vote is necessary and sufficient for the approval of such amendments.

Proper written notice must be given in advance, including either a written copy or written summary of the proposed amendments.

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CERTIFICATE OF SECRETARY

I, the undersigned do hereby certify that the foregoing bylaws constitute the bylaws of Watercolor Society of Oregon, as duly adopted by the Board of Directors on the _____ day of _____, 2018.

Signed this ____ day of _____, 2018.

Secretary of Watercolor Society of Oregon