

NON-PROFIT BYLAWS
VERDE VALLEY IMAGINATION LIBRARY
Amended as of 6/5/2017

PREAMBLE

The following Bylaws shall be subject to, and governed by, the Non-Profit Corporation Act of Arizona and the Articles of Incorporation of Verde Valley Imagination Library (VVIL). In the event of a direct conflict between the herein contained provisions of these Bylaws and the mandatory provisions of the Non-Profit Corporation Act of Arizona, said Non-Profit Corporation Act shall be the prevailing controlling law. In the event of a direct conflict between the provisions of these Bylaws and the Articles of Incorporation of VVIL, it shall then be these Bylaws which shall be controlling.

DEFINITIONS

1. CORPORATION / ORGANIZATION: The Verde Valley Imagination Library
2. VVIL: Verde Valley Imagination Library.
3. BOARD: The Board of Directors of the VVIL.
4. DIRECTOR: A member of the VVIL Board of Directors.
5. OFFICERS: Chair, Vice Chair, Secretary and Treasurer of the Board of Directors of the VVIL.
6. EXECUTIVE COMMITTEE: The four officers and one at large director for a total of five.
7. ROTARY CLUBS IN THE VERDE VALLEY: Rotary Club of Sedona, Rotary Club of Sedona Village Satellite, Rotary Club of the Sedona Red Rocks, Rotary Club of the Verde Valley and any other Rotary Club that may be established within the Verde Valley area of Arizona.
8. YEAR: The twelve-month period which begins on July 1 and ends June 30, also known as the fiscal year.
9. QUORUM: The minimum number of participants who must be present when a vote is taken, a majority of the directors.
10. NOMINATING COMMITTEE: directors appointed by the board who nominate candidates for officers.

ARTICLE 1— NAME

The legal name of this Non-Profit is the Verde Valley Imagination Library and shall herein be referred to as the VVIL.

ARTICLE 2 — PURPOSE

Section 1. Nonprofit Purpose

The VVIL is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, exclusively for charitable and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Section 2. Specific Purpose

The Verde Valley Imagination Library is dedicated to improving early childhood literacy skills by promoting and funding Dolly Parton's Imagination Library for all qualified children living in the Verde Valley area of Arizona and by collaborating with other organizations within the Verde Valley that also aim to improve early childhood literacy skills.

The specific objectives and purpose of this organization shall be:

- a. to raise funds for the monthly purchase and distribution of books through Dolly Parton's Imagination Library and for ancillary costs needed for promotion and operation of the program.
- b. to identify and provide books to all children under the age of five living in the Verde Valley area whose parents/guardian agree to the service.
- c. To increase parental and public awareness of the importance of talking and reading to very young children to stimulate brain development.

ARTICLE 3 — OFFICES

The principal office of the VVIL shall be located at:

Verde Valley Imagination Library
Care of Rotary Club of Sedona
PO Box 3056,
Sedona, Arizona 86340

The VVIL may have other such offices as the Board of Directors may determine or deem necessary, or as the affairs of the VVIL may find a need for from time to time.

ARTICLE 4 — DEDICATION OF ASSETS

The properties and assets of the VVIL are irrevocably dedicated to and for non-profit purposes only. No part of the net earnings, properties, or assets of the VVIL on dissolution or otherwise, shall inure to the benefit of any person or any member, director, or officer of the VVIL. On liquidation or dissolution, all remaining properties and assets of the VVIL shall be distributed and paid over to an organization dedicated to non-profit purposes which has established its tax-exempt status pursuant to Section 501(c) of the Code.

ARTICLE 5 — BOARD OF DIRECTORS

Section 1. General Powers and Responsibilities

The VVIL shall be governed and managed by the Board of Directors (the "Board") which shall have all the rights, powers, privileges, and limitations of liability of directors of a non-profit corporation organized under the Non-Profit Corporation Act of Arizona. The Board shall have control of and be responsible for the management of the affairs and property of the VVIL. The Board shall establish policies and directives governing business and programs of the VVIL.

Section 2. Number and Qualifications

The Board shall have up to 15 but no fewer than 5 Board members.¹ The number of Board members may be increased beyond 15 members or decreased to less than 5 members by the affirmative vote of a simple majority of the then serving Board of Directors. A Board member need not be a resident of the State of Arizona. At least one position on the Board shall be reserved for each contributing Rotary Club in the Verde Valley. A majority of the board will be representatives of Rotary. In addition to the regular membership of the Board, representatives of such other organizations or individuals as the Board may deem advisable to elect shall be Ex-Officio Board Members, which will have the same rights and obligations as the other directors, excluding voting rights.

Section 3. Board Compensation

Members of the Board of Directors shall receive no compensation for their services as directors other than for reasonable expenses. However, provided the compensation structure complies with Sections relating to "Contracts Involving Board Members and/or Officers" as stipulated under these Bylaws: nothing in these Bylaws shall be construed to preclude any Board member from serving the VVIL in any other capacity and receiving compensation for services rendered.

Section 4. Board Elections

A Nominating Committee appointed by the board shall present nominations for new and renewing Board members by May to take office on July 1. Recommendations from the Nominating Committee shall be made known to the Board in writing before nominations are made and voted on. New and renewing Board members shall be approved by a majority of existing Board members.

Section 5. Term of Board

All appointments to the Board shall be for a term of 2 year(s). No person shall serve more than 3 consecutive full terms unless a majority of the Board, during the course of a Board meeting at which a quorum is present, votes to appoint a Board member to fill out the remaining term of the person they are replacing. After serving the maximum total number of consecutive years on the Board, a member may be eligible for reconsideration as a Board member after 1 year has passed since the conclusion of such Board member's service.

Section 6. Vacancies

A vacancy on the Board of Directors may exist at the occurrence of the following conditions:

- a) The death, resignation, or removal of any director:
- b) The declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, accused of acts of moral turpitude, convicted of a felony, found by final order or judgment of any court to have breached a duty pursuant to the Corporation Code and/or Act of the law dealing with the standards of conduct for a director. Or, has failed to meet attendance requirements by missing 3 consecutive meetings of the Board of Directors, or a total of more than 50% of meetings of the Board during any one calendar year.
- c) An increase in the authorized number of directors:
- d) The failure of the directors, at any annual or other meeting of directors at which director(s) are to be elected, to elect the full authorized number of directors.

Any vacancy on the Board may be filled by vote of a simple majority of the directors then in office, whether or not the number of directors then in office is less than a quorum, or by vote of a sole remaining director. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

A Board member elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

Section 7. Resignation

Except as provided in this paragraph, any director may resign effective upon giving written notice to the chair of the Board, the secretary of VVIL or the Board of Directors, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be designated to take office when the resignation becomes effective. Unless the Attorney General of Arizona is first notified no director may resign when the VVIL would then be left without a duly elected director in charge of its affairs.

Section 8. Removal

Any member of the Board of Directors may be removed with or without cause, at any time, by vote of a majority of the directors then currently in office, if in their judgment the best interest of the VVIL would be served thereby. Each member of the Board of Directors must receive written notice of the proposed removal at least 3 days in advance of the proposed action.

Section 9. Meetings

The Board's **regular meetings** may be held at such time and place as shall be determined by the Board. The Board shall meet no less than 4 times a year. The Chair of the Board or any 3 regular Board members may call a **special meeting** of the Board with 3 days' written notice provided to each member of the Board. The notice shall be served upon each Board member via hand delivery, regular mail, email, or fax. The person(s) authorized to call such special meetings of the Board may also establish the place the meeting is to be conducted, so long as it is a reasonable place to hold any special meeting of the Board. An **annual meeting** shall take place by May 31 of each year at which time officers will be elected for the upcoming fiscal year. Elected officers' terms will start the following July 1.

Section 10. Minutes

The Secretary shall be responsible for the recording of all minutes of each and every meeting of the Board in which business shall be transacted in such order as the Board may determine from time to time. However, in the event that the Secretary is unavailable, the Chair of the Board shall appoint an individual to act as Secretary at the meeting. The Secretary, or the individual appointed to act as Secretary, shall prepare the minutes of the meetings, shall keep corrected, approved, print copies in the VVIL Minute Book and assure that electronic copies are stored safely. A copy of the minutes shall be delivered to each Board member via either regular mail, hand delivered, emailed, or faxed within 14 business days after the close of each Board meeting.

Section 11. Action by Written Consent

Any action required by law to be taken at a meeting of the Board, or any action that may be taken at a meeting of the Board, may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all Board members. The number of directors in office must constitute a quorum for an action taken by unanimous written consent. Such consent shall be placed in the minute book of the VVIL and shall have the same force and effect as a unanimous vote of the Board taken at an actual meeting. The Board members' written consent may be executed in multiple counterparts or copies, each of which shall be deemed an original for all purposes. In addition, facsimile signatures, and electronic signatures or other electronic "consent click" acknowledgments shall be effective as original signatures.

Section 12. Quorum

At each meeting of the Board of Directors or Board Committees, the presence of a majority of Board Members persons shall constitute a quorum for the transaction of business. If at any time the Board consists of an even number of members and a vote results in a tie, then the vote of the Chair of the Board shall be the deciding vote. The act of the majority of the Board members serving on the Board or Board Committees and present at a meeting in which there is a quorum shall be the act of the Board or Board Committees: unless otherwise provided by the Articles of Incorporation, these Bylaws, or a law specifically requiring otherwise. If a quorum is not present at a meeting, the Board members present may adjourn the meeting from time to time without further notice until a quorum shall be present. However, a Board member shall be considered present at any meeting of the Board or Board Committees if during the meeting, he or she is present via telephone or web conferencing with the other Board members participating in the meeting.

Section 13. Voting

Each Board member shall only have one vote. Board members may be allowed to vote by written proxy

Section 14. Board Member Attendance

An elected Board Member is expected to attend at least 50% of Board meetings for a fiscal year. A Board Member who is absent from 2 consecutive regular meetings of the Board during a fiscal year shall be encouraged to reevaluate with the Chair of the Board his/her commitment to the VVIL. The Board may deem a Board member who has missed 3 consecutive meetings without such a reevaluation with the Chair to have resigned from the Board.

ARTICLE 6 — OFFICERS

Section 1. Officers and Duties

The Board shall elect officers of the VVIL which shall include a Chair of the Board (Chief Executive Officer), a Vice Chair of the Board, a Secretary, a Treasurer (Chief Financial Officer), and such other officers as the Board may designate by resolution. The same person may hold any number of offices, except that neither the Secretary nor the Treasurer may serve concurrently as the Chair of the Board. In addition to the duties in accordance with this Article, officers shall conduct all other duties typically pertaining to their offices and other such duties which may be required by law, Articles of Incorporation, or by these bylaws, subject to control of the Board of Directors. They shall perform any other such additional duties which the Board of Directors may assign to them at their discretion.

The officers will be selected by the Board at its annual meeting, and shall serve the needs of the Board. Any officer may be removed with or without cause by vote of the majority of the Board of Directors currently in office. All officers have the right to resign at any time by providing notice in writing to the Chair of the Board, and/or Secretary of the VVIL. All resignations shall become effective upon the date on which the written notice of resignation is received or at any time later as may be specified within the resignation, and unless otherwise indicated within the written notice, a stated acceptance of the resignation shall not be required to make the resignation effective.

Any and all vacancies in any office because of death: resignation, disqualification: removal, or for any other cause, shall be filled in accordance to the herein prescribed bylaws for regular appointments to such office.

Section 2. Chair of the Board (Chief Executive Officer)

It shall be the responsibility of the Chair of the Board, when present, to preside over all meetings of the Board of Directors and Executive Committee. The Chair of the Board is authorized to execute, in the name of the VVIL any and all contracts or other documents, which may be authorized, either generally or specifically, by the Board to be executed by the VVIL. The Chair of the Board usually acts as the Executive Director; however, the Chair may appoint another director in that role.

It shall be the responsibility of the Chair, in general, to supervise and conduct all activities and operations of the VVIL, subject to the control, advice and consent of the Board of Directors. The Chair shall keep the Board of Directors completely informed, shall freely consult with them in relation to all activities of the VVIL, and shall see that all orders and/or resolutions of the Board are carried out to the effect intended. The Chair shall be empowered to act, speak for, or otherwise represent the VVIL between meetings of the Board. The Chair shall be responsible for the hiring and firing of all personnel, and shall be responsible for keeping the Board informed at all times of staff performance and for implementing any personnel policies which may be adopted and implemented by the Board.

Section 3. Vice Chair of the Board

In the absence of the Chair of the Board or in the event of his/her inability or refusal to act it shall then be the responsibility of the Vice Chair of the Board to perform all the duties of the Chair of the Board, and in doing so, he/she shall have all authority and powers of and shall be subject to all of the restrictions on the Chair of the Board

Section 4. Secretary.

The Secretary, or his/her designee shall be the custodian of all records and documents of the VVIL, which are required to be kept at a site designated by the Board. He/she shall act as secretary at all meetings of the Board of Directors, and shall keep the minutes of all such meetings on file in hard copy in the VVIL Minute Book and in safely stored electronic format. He/she shall attend to the giving and serving of all notices of the VVIL.

Section 5. Treasurer (Chief Financial Officer)

It shall be the responsibility of the Treasurer to keep and maintain, or cause to be kept and maintained, adequate and accurate accounts of all the properties and business transactions of the VVIL, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall be responsible for ensuring the deposit of or cause to be deposited, all money and other valuables as may be designated by the Board of Directors. Furthermore, the Treasurer shall disburse, or cause to be disbursed, the funds of the VVIL, as may be ordered by the Board of Directors, and shall render to the Chair of the Board and directors, whenever they request it, an account of all the Treasurer's transactions as treasurer and of the financial condition of the VVIL.

The Treasurer shall secure a bond if so requested and required by the Board of Directors, in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the Treasurer's office and for restoration to the VVIL of all its books, papers, vouchers, money and other property of every kind in the Treasurer's possession or under the Treasurer's control upon the Treasurer's death, resignation, retirement, or removal from office. The VVIL shall pay the cost of such a bond.

ARTICLE 7 — COMMITTEES

Section 1. Committees of Directors

The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, designate one or more committees to exercise all or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these bylaws. Each such committee shall consist of two (2) or more directors, and may also include persons who are not on the Board but whom the directors believe to be reliable and competent to serve at the specific committee. However, committees exercising any authority of the Board of Directors may not have any non-director members. The Board may designate one or more alternative members of any committee who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the directors then in office, provided that a quorum is present. The Board of Directors may also designate one or more advisory committees that do not have the authority of the Board. However, no committee, regardless of Board resolution: may:

- a. Approve of any action that, pursuant to applicable Law, would also require the affirmative vote of the members of the Board if this were a membership vote.
- b. Fill vacancies on, or remove the members of the Board of Directors or any committee that has the authority of the Board.
- c. Fix compensation of the directors serving on the Board or on any committee.
- d. Amend or repeal the Articles of Incorporation or bylaws or adopt new bylaws.
- e. Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable.
- f. Appoint any other committees of the Board of Directors or their members.
- g. Approve a plan of merger, consolidation, voluntary dissolution, bankruptcy, or reorganization; or a plan for the sale, lease: or exchange of all or considerably all of the property and assets of the VVIL otherwise than in the usual and regular course of its business: or revoke any such plan.
- h. Approve any self-dealing transaction: except as provided pursuant to law.

Unless otherwise authorized by the Board of Directors, no committee shall compel the VVIL in a contract or agreement or expend VVIL funds.

Section 2. Meetings and Actions of Committees

Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Article 5 - Board of Directors of these bylaws concerning meetings and actions of the directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members: except that the time for regular meetings of committees may be determined either by the Board of Directors or the committee. Special meetings of committees may also be called the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee. The Board of Directors may adopt rules not consistent with the provisions of these bylaws for the governance of any committee.

For a director to rely on information prepared by a committee of the Board on which the director does not serve, the committee must be composed exclusively of any or any combination of (a) directors, (b) directors or employees of the VVIL whom the director believes to be reliable and competent in the matters presented, or (c) counsel, independent accountants, or other persons as to matters which the director believes to be within that person's professional or expert competence.

Section 3. Executive Committee

Pursuant to Article 7 – Committees, the Board may appoint an Executive Committee composed of the four Officers of the Board and one at-large director. The Executive Committee, unless limited in a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the VVIL between meetings of the Board, provided, however, that the Executive Committee shall not have the authority of the Board in reference to those matters enumerated in Article 7 - Committees of Directors. The Secretary of the VVIL shall send to each director a summary report of the business conducted in any meeting of the Executive Committee.

ARTICLE 8 - STANDARD OF CARE

Section 1. General

A director shall perform all the duties of a director, including, but not limited to, duties as a member of any committee of the Board on which the director may serve, in such a manner as the director deems to be in the best interest of the VVIL and with such care, including reasonable inquiry, as an ordinary, prudent, and reasonable person in a similar situation may exercise under similar circumstances.

In the performance of the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by

- a. One or more officers or employees of the VVIL whom the director deems to be reliable and competent in the matters presented;
- b. Counsel, independent accountants, or other persons, as to the matters which the director deems to be within such person's professional or expert competence; or
- c. A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director deems to merit confidence, so long as in any such case the director acts in good faith, after reasonable inquiry when the need may be indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Except as herein provided in Article 8 - Standard of Care, any person who performs the duties of a director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limitation of the following, any actions or omissions which exceed or defeat a public or charitable purpose to which the VVIL, or assets held by it, are dedicated.

Section 2. Loans

The VVIL shall not make any loan of money or property to, or guarantee the obligation of, any director or officer, unless approved by the Arizona Attorney General; provided, however, that the VVIL may advance money to a director or officer of the VVIL or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 3. Conflict of Interest

The purpose of the Conflict of Interest policy is to protect the VVIL's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable corporations/organizations and is not intended as an exclusive statement of responsibilities.

Section 4. Restriction on Interested Directors

Not more than 10% (percent) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (1) any person currently being compensated by the VVIL for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director; and (2) any brother, sister, parent, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law, mother-in-law, or father-in-law of any such person. However, any

violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the interested person.

Section 5. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors who are considering the proposed transaction or arrangement.

Section 6. Establishing a Conflict of Interest

After the disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board meeting while the potential conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

Section 7. Addressing a Conflict of Interest

In the event that the Board should establish that a proposed transaction or arrangement establishes a conflict of interest, the Board shall then proceed with the following actions:

- a. Any interested person may render a request or report at the Board meeting, but upon completion of said request or report the individual shall be excused while the Board discusses the information and/or material presented and then votes on the transaction or arrangement proposed involving the possible conflict of interest
- b. The Chair of the Board shall, if deemed necessary and appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board shall determine whether the VVIL can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interest of the VVIL, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction arrangement in conformity with this determination

Section 8. Violations of Conflict of Interest Policy

Should the Board have reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, the Board shall then inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

If after hearing the interested person's explanation, and after making further investigation as may be warranted in consideration of the circumstances, the Board determines the interested person intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 9. Procedures and Records

All minutes of the Board Meetings, when applicable, shall contain the following information:

- a. The names of all the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present and the Board's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and any votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement, and a record of any vote taken in connection with the proceedings.

Section 10. Acknowledgement of Conflict of Interest Policy

Each director, principal officer, and member of a committee with Board delegated powers shall be required to sign a statement which affirms that such person

- a. Has received a copy of the conflict of interest policy;
- b. Has read and understands the policy;
- c. Has agreed to comply with the policy; and
- d. Understands that the VVIL is charitable, and in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Section 11. Violation of Loyalty - Self-Dealing Contracts

A self-dealing contract is any contract or transaction (i) between this VVIL and one or more of its Directors, or between this VVIL and any corporation, firm, or association in which one or more of the Directors has a material financial interest ("Interested Director"), or (ii) between this VVIL and a corporation, firm, or association of which one or more of its directors are Directors of this VVIL. Said self-dealing shall not be void or voidable because such Director(s) of corporation, firm, or association are parties or because said Director(s) are present at the meeting of the Board of Directors or committee which authorizes, approves, or ratifies the self-dealing contract, if:

- a) All material facts are fully disclosed to or otherwise known by the members of the Board and the self-dealing contract is approved by the Interested Director in good faith (without including the vote of any membership owned by said interested Director(s));
- b) All material facts are fully disclosed to or otherwise known by the Board of Directors or committee, and the Board of Directors or committee authorizes, approves, or ratifies the self-dealing contract in good faith—without counting the vote of the interest Director(s)—and the contract is just and reasonable as to the Corporation/Organizatian at the time it is authorized, approved, or ratified or
- c) As to contracts not approved as provided in above sections (a) and/or (b), the person asserting the validity of the self-dealing contract sustains the burden of proving that the contract was just and reasonable as to the VVIL at the time it was authorized, approved, or ratified.

Interested Director(s) may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof, which authorizes, approves, or ratifies a contract or transaction as provided for and contained in this section.

Section 12. Indemnification

To the fullest extent permitted by law, the VVIL shall indemnify its "agents," as described by law, including its directors, officers, employees and volunteers, and including persons formerly occupying any such position, and their heirs, executors and administrators, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," and including any action by or in the right of the VVIL, by reason of the fact that the person is or was a person as described in the Non-Profit Corporation Act. Such right of indemnification shall not be deemed exclusive of any other right to which such persons may be entitled apart from this Article.

The VVIL shall have the power to purchase and maintain insurance on behalf of any agent of the VVIL, to the fullest extent permitted by law, against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, or to give other indemnification to the extent permitted by law.

ARTICLE 9 — EXECUTION OF CORPORATE INSTRUMENTS

Section 1. Execution of Corporate Instruments

The Board of Directors may, at its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the VVIL.

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the VVIL, promissory notes, deeds of trust, mortgages, other evidences of indebtedness of the VVIL, other corporate/organization instruments or documents, memberships in other corporations/organizations, and certificates of shares of stock owned by the VVIL shall be executed, signed, and/or endorsed by the Chair with approval of a majority of the board.

All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation Organization, or in special accounts of the VVIL, shall be signed by such person or persons as the Board of Directors shall authorize to do so.

Section 2. Loans and Contracts

No loans or advances shall be contracted on behalf of the VVIL and no note or other evidence of indebtedness shall be issued in its name unless and except as the specific transaction is authorized by the Board of Directors. Without the express and specific authorization of the Board, no officer or other agent of the VVIL may enter into any contract or execute and deliver any instrument in the name of and on behalf of the VVIL.

ARTICLE 10 — RECORDS AND REPORTS

Section 1. Maintenance and inspection of Articles and Bylaws

The VVIL shall keep at its principal office as designated by the Board, the original or a copy of its Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by directors at all reasonable times during office hours. These documents shall also be safely stored in electronic format that can be easily shared with the directors.

Section 2. Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns

The VVIL shall keep at its principal office as designated by the Board, a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

Section 3. Maintenance and Inspection of Other Corporate Records

The VVIL shall keep adequate and correct books and records of accounts and written minutes of the proceedings of the Board and committees of the Board. All such records shall be kept at a place or places as designated by the Board and committees of the Board. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the VVIL shall turn over to his or her successor or the Chair of the Board in good order, such VVIL monies, books, records, minutes, lists, documents, contracts, or other property of the VVIL as have been in the custody of such officer, employee, or agent during his or her term of office.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the VVIL and each of its subsidiary corporations/organizations. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

Section 4. Preparation of Annual Financial Statements

The VVIL shall prepare annual financial statements using generally accepted accounting principles. At the direction of the board, such statements shall be audited or reviewed yearly by a qualified party. The VVIL shall make these financial statements available to the Arizona Attorney General and members of the public for inspection no later than 45 days after the close of the fiscal year to which the statements relate.

Section 5. Reports

The Board shall ensure an annual report is sent to all directors within 45 days after the end of the fiscal year of the VVIL, which shall contain the following information:

- a. The assets and liabilities, including trust funds, of the VVIL at the end of the fiscal year.
- b. The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- c. The expenses or disbursements of the VVIL for both general and restricted purposes during the fiscal year.
- d. The information required by Non-Profit Corporation Act concerning certain self-dealing transactions involving more than \$50,000 or indemnifications involving more than \$10,000 which took place during the fiscal year.

The report shall be accompanied by any pertinent report from an independent accountant or, if there is no such report, the certificate of an authorized officer of the VVIL that such statements were prepared without audit from the books and records of the VVIL.

ARTICLE 11 — AMENDMENTS AND REVISIONS

These Bylaws may be adopted, amended, or repealed by the vote of a simple majority of the directors then in office. Such action is authorized only at a duly called and held meeting of the Board of Directors for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefore, is given in accordance with these bylaws.

ARTICLE 12— CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the Non-Profit Corporation Act as amended from time to time shall govern the construction of these bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a VVIL as well as a natural person. If any competent court of law shall deem any portion of these bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

CERTIFICATE OF SECRETARY

I, Kenyon Taylor, certify that I am the current elected and acting Secretary of the benefit VVIL, and the above bylaws are the bylaws of this VVIL as adopted by the Board of Directors on July 1, 2017, and that they have not been amended or modified since the above.

EXECUTED on this _____ day of _____, 2017, in the County of Yavapai in the State of Arizona.

(Duly Elected Secretary)

AMMENDMENTS

1. Maximum number of board members changed from 11 to 15. 6/5/17