

## **Bylaws of Louisville Creative Centre**

The Louisville Creative Centre has been working to meet the needs of the arts communities in the Louisville, Kentucky, and greater Kentuckiana area since 2007. We are committed to the development of organized arts education, the dissemination of art, the publication of finished artistic expressions, the integration of computer related software and hardware and the arts, and community involvement in the arts. Our long-term goal is to provide workshops, facilities, and support to artists of all occupations, lifestyles, walks of life, and all artistic expressions.

The following "By Laws" are used by the Louisville Creative Centre to administer its programs. They are designed for the arts field to make informed decisions, with a consistent five to eleven member board.

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## **Bylaws of Louisville Creative Centre**

Louisville Creative Centre, to promote community involvement in the Arts through the teaching of the Arts.

The name of the organization shall be Louisville Creative Centre.

Louisville Creative Centre is organized exclusively for charitable, literary, and educational purposes, more specifically to promote community involvement in the Arts through the teaching of the Arts.

### **ARTICLE I**

#### **Offices**

**1.1 Length and Duration of the Bylaws.** These bylaws for Louisville Creative Centre shall expire on the 31<sup>st</sup> of December, 2008. A new set of bylaws must be approved by the Board of Directors for the Louisville Creative Centre in the last quarter of the year of 2008 to supersede these bylaws. These and all future bylaws must be approved by a majority vote of the vote holding board members. In order to vote on the passage of bylaws, ALL vote-holding board members must be present to cast their vote.

All future bylaws of Louisville Creative Centre will expire on the 31<sup>st</sup> of December in every even numbered year. The Board of Directors must approve all future bylaws by a majority vote of the vote holding board members. In order to vote on the passage of bylaws, ALL vote-holding board members must be present to cast their vote.

In the event that the Board of Directors of Louisville Creative Centre wishes to amend these bylaws at any other time than the fourth quarter of every even numbered year, such amendments may only be made by a *consensus* vote taken from all vote-holding board members.

**1.2 Registered Office and Registered Agent.** The registered office of the corporation shall be located in the city of Louisville and the Commonwealth of Kentucky at such place as may be fixed from time to time by the Board of Directors of the Louisville Creative Centre upon filing of such notices as may be required by law. The registered agent shall have a business office identical with such registered office.

**1.3 Other Offices.** The Louisville Creative Centre may have other offices within or outside the Commonwealth of Kentucky at such place or places as the Board of Directors may from time to time determine.

### **ARTICLE II**

#### **Board of Directors**

**2.1 Numbers and Powers.** The management of all the affairs, property, and interests of the Louisville Creative Centre shall be vested in a Board of Directors consisting of five (5) to 11 (eleven) persons.

The Board of Directors must be constituted of a minimum of five (5) voting members and zero (0) non-voting members, but shall not exceed eleven (11) voting members, and an equal number of non-voting members.

The Board of Directors shall have the authority to establish and define non-voting categories of Board of Directors membership.

The Louisville Creative Centre Board of Directors of the corporation shall be:

(a) one (1) President

(b) one (1) Executive Vice President, who shall also be the Executive Director of

Louisville Creative Centre

- (c) one (1) Vice President
- (d) one (1) Secretary
- (e) one (1) Vice Secretary
- (f) one (1) Treasurer
- (g) one (1) Vice Treasurer
- (h) one (1) Director of Technologies
- (j) one (1) Director of Education
- (k) one (1) Director of Community Coordination
- (l) one (1) Director of Fund Raising

All Board of Directors members shall be elected for terms of five years by the Board of Directors. Such Board of Directors members shall hold office until their successors are elected and qualified. Any two or more offices may be held by the same person and by Louisville Creative Centre Board of Directors members, excepting the following:

The President shall not also be Executive Vice President, Vice President, Secretary, or Treasurer.

The Executive Vice President shall hold no other office.

The Vice President shall not also be President, Executive Vice President, Vice Secretary, Treasurer, and Director of Fund Raising.

Secretary shall not be President, Executive Vice President, Vice Secretary, Treasurer, or Director of Fund Raising.

Vice Secretary shall not also be Executive Vice President, Vice President, Treasurer, Vice Treasurer, or Director of Fund Raising

Treasurer shall hold no other office.

Vice Treasurer shall not be Executive Vice President, Vice President, Vice Secretary, Treasurer, or Director of Fund Raising.

Director of Technologies shall not be Executive Vice President.

Director of Education shall not be Executive Vice President.

Director of Community Coordination shall not be Executive Vice President.

Director of Fund Raising shall not be Executive Vice President, Secretary, Treasurer, or Vice Treasurer.

The Board of Directors elected at the initial 29<sup>th</sup> of December, 2007 meeting, and the annual fourth quarter meeting of Board of Directors shall serve for an unspecified period of time of good ethical character, or until a sustained impeachment proceeding as specified in these Bylaws under article 2.13.

In addition to the powers and authorities expressly conferred upon the Louisville Creative Centre Board of Directors by these Bylaws and Articles of Incorporation, the Board of Directors may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws otherwise prohibited.

The Board of Directors of the Louisville Creative Centre shall not discriminate between persons based upon age, caste, color, creed, disability, gender, national origin, pregnancy, race, religion, sex, sexual orientation, sexuality, or any other factor not directly related to job performance. This statement of non-discrimination and relevant Commonwealth of Kentucky and US Federal Law shall also be the standards for Louisville Creative Centre employment and staff.

**2.2 Change of Number.** The number of directors may at any time be increased or decreased by amendment of these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director. The number of directors that have voting statues may not be less than five (5).

**2.3 Vacancies.** All vacancies in the Louisville Creative Centre Board of Directors, whether caused by resignation, impeachment, and death or otherwise, may be filled by the affirmative *consensus* vote of the remaining directors of the Board of Directors. For this

purpose, the quorum required for the vote of the Board of Directors to fill a vacancy will be all remaining Board of Directors members. A director elected to fill any vacancy shall hold office for the unexpired term of his or her predecessor and until a successor is elected and qualified.

**2.4 Regular Meetings.** Regular meetings of the Louisville Creative Centre Board of Directors may be held at the registered office of the corporation or at such other place or places, either within or without the Commonwealth of Kentucky, as the Board of Directors may from time to time designate. The annual meeting shall be held without notice at the registered office of the corporation, at 10:00 A.M., on first Saturday of March of each year, or at such other time during the fourth quarter of the fiscal year and place as the Board of Directors shall designate by written notice, and such written notice published on the Louisville Creative Centre website. In addition to the annual meeting, there shall be regular meetings of the Board of Directors, held, with proper notice, not less frequently than once each fiscal year quarter.

**2.5 Special Meetings.** Special meetings of the Board of Directors may be called at any time by the President or the Executive Vice President or upon written request by any three directors either voting or non-voting members. Such meetings shall be held at the registered office of the corporation or at such other place or places as the directors may from time to time designate.

**2.6 Notice.** Notice of all special meetings of the Board of Directors (and of all regular meetings other than the annual meetings to be held at the place and time designated in Section 2.4) shall be given to each director by seven (7) days prior service of the same by electronic mail, by letter, or personally. Such notice need not specify the business to be transacted at, or the purpose of the meeting.

**2.7 Quorum.** A majority of the whole vote holding Board of Directors shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business, unless otherwise specified in the particular bylaw as having the requirement of *consensus*.

*Consensus* is defined as the unified opinion and vote of ALL voting board members, without dissent, abstention vote, or any voting board member missing the vote.

**2.8 Waiver of Notice.** Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice.

**2.9 Registering Dissent.** A director who is present at a meeting of the Board of Directors at which action on a corporate matter is taken shall be presumed to have assented to such action unless the director shall file a written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a director who voted in favor of such action.

**2.10 Executive and Other Committees.** The Board of Directors may appoint, from time to time, from its own number, standing or temporary committees consisting each of no fewer than three (3) directors. Such committees may be vested with such powers as the Board may determine by resolution passed by a majority of the full Board of Directors, provided however, that no such committee shall have the authority of the Board of Directors with reference to:

- (a) Amending, altering, or repealing these Bylaws;
- (b) Electing, appointing, or removing any director or officer of the corporation;
- (c) Amending the Articles of Incorporation.
- (d) Adopting a plan of merger or consolidation with another corporation.
- (e) Authorizing the sale, lease, exchange, or mortgage, of any of the property and assets of the corporation;

(f) Authorizing the voluntary dissolution of the corporation or revoking proceeds therefore; or

(g) Amending, altering, or repealing any resolution of the Board of Directors which by its term provides that it shall not be amended, altered, or repealed by such committee.

All committees so appointed shall keep regular minutes of the transactions of their meetings and shall cause them to be recorded in books kept for that purpose in the office of the corporation. The designation of any such committee and the delegation of authority thereto, shall not relieve the Board of Directors of any responsibility imposed by law.

All committees so appointed shall have at least one (1) voting Louisville Creative Centre Board of Directors member on their committee as a voting member of that committee.

**2.11 Remuneration.** No stated salary shall be paid directors, as such, for their service, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of such Board; provided, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

This shall not apply to the salary paid to any board of director member who is also a full-time or part-time employee of Louisville Creative Centre, or a paid or unpaid volunteer, moderator, or holds any other position within Louisville Creative Centre that might otherwise normally be compensated.

**2.12 Loans.** No loans shall be made by the corporation to any director.

**2.13 Removal.** Any director may be removed at any time, with or without cause, by the *consensus* vote of all other members of the Louisville Creative Centre Board of Directors after a motion of removal has been brought by three (3) other board members. Once a removal action is brought before the Board of Directors, the voting power of the board member that the action has been brought against will be temporarily suspended until the vote on a removal action has been debated and taken.

(a) Causes for immediate removal from the Louisville Creative Centre Board of Directors without recourse to board vote:

(1) Conviction in US Federal or Kentucky Commonwealth or any court of the fifty (50) United States state courts for any the following charges:

(A) Fraud, embezzlement, forgery, or identity theft

(B) Any charge that has an element of sexual impurity

(C) Any charge that has an element of physical assault

(D) Any charge that is aggravated by the use of drugs or alcohol, including driving or operating a car, boat, airplane, or any other vehicular conveyance under the influence of the same

(E) Any charge that relates to the abuse of minors or other persons not capable of legally acting in their own interests

(F) Any charge that is defined in the legal codes of the above-mentioned courts as "hate crime"

(2) When evidence of a conviction of a Louisville Creative Centre Board of Directors member in US Federal, Kentucky Commonwealth, and the fifty (50) United States state courts is presented to said board, the individual will be immediately stripped of their membership and banned from attendance of all future Louisville Creative Centre activities.

(3) Accepting Louisville Creative Centre Board of Directors approved leaves of absence, any Board of Directors member may be removed in the event death, medical or mental incapacitation.

## **ARTICLE III**

### **Officers**

**3.1 Designations.** The Louisville Creative Centre Executive Vice President may nominate Officers to the Louisville Creative Centre Board of Directors and such nominations must be confirmed by a majority vote of the Louisville Creative Centre Board of Directors.

**3.2 Delegation.** If any officer of the corporation is absent or unable to act and no other person is authorized to act in such officer's place by the provisions of these Bylaws, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer or any director or any other person it may select.

**3.3 Vacancies.** Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.

**3.4 Other Officers.** The Board of Directors may appoint such other officers or agents as it shall deem necessary or expedient, which shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

**3.5 Loans.** No loan shall be made by the corporation to any officer.

**3.6 Term - Removal.** The officers of the corporation shall hold office until their successors are chosen and qualified. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the *consensus* of the whole Louisville Creative Centre Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

**3.7 Bonds.** The Board of Directors may, by majority vote resolution, require any and all of the officers to provide bonds to the corporation, with surety or sureties acceptable to the Board, conditioned for the faithful performance of the duties of their respective offices, and to comply with such other conditions as may from time to time be required by the Board of Directors.

## **ARTICLE IV**

### **Fiscal Year**

The corporation's fiscal year shall be from April 16<sup>th</sup> of each year until April 15<sup>th</sup> of the following year.

## **ARTICLE V**

### **Management of Funds**

**(1) Depositories:** The monies of the corporation shall be deposited in the name of the corporation in such bank or banks or trust company or trust companies as the Board of Directors shall designate, and shall be drawn from such accounts only by check or other order for payment of money signed by such persons, and in such manner, as may be determined by resolution of the Board of Directors.

**(2) Lines of Credit:** No lines of credit or loans of any other type shall be taken by any Louisville Creative Centre Board of Directors member or Louisville Creative Centre employee or other representative without the prior *consensus* vote of the entire voting membership of the Louisville Creative Centre Board of Directors.

Any violation of this order by anyone connected with Louisville Creative Centre shall be wholly and exclusively liable for such debt, and such debt shall not be reimbursed by Louisville Creative Centre.

## **ARTICLE VI**

### **Notices**

Except as may otherwise be required by law, any notice to any director may be delivered personally or by mail or by electronic mail. If mailed, the notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the addressee at his or her last known address in the records of the corporation, postage prepaid.

## **ARTICLE VII**

### **Seal**

The corporate seal of the corporation, if any, shall be in such form and bear such inscription Louisville Creative Centre as adopted by resolution of the Board of Directors, or by usage of the officers on behalf of the corporation.

## **ARTICLE VIII**

### **Indemnification of Officers, Directors, Employees, and Agents**

The corporation shall indemnify its officers, directors, employees, and agents to the greatest extent permitted by law. The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, paid or unpaid volunteer, or agent of the corporation or who is or was serving at the request of the corporation as an officer, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan, against any liability asserted against such person and incurred by such person in any such capacity or arising out of any status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of this Article.

## **ARTICLE IX**

### **Conflict of Interest Policy**

Acting pursuant to KRS 273.377, in lieu of a meeting, the undersigned, constituting all of the vote-holding members of the Board of Directors of The Louisville Creative Centre, Inc., a Kentucky nonprofit corporation (the "Corporation"), do hereby adopt the following resolutions:

WHEREAS, it is in the best interest of the Corporation to pursue best practices with respect to corporate governance and applicable statutes and regulations affecting tax-exempt organizations.

NOW, THEREFORE, BE IT RESOLVED, that the Conflict of Interest Policy in the form of the attached and incorporated Exhibit A be, and it hereby is, adopted as and for the Conflict of Interest Policy of the Corporation, and the Secretary is directed to cause the same to be inserted in the minute book of the Corporation; and

FURTHER RESOLVED, that this Unanimous Written Consent may be executed by original or facsimile signature in any number of counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute but one and the same instrument.

Dated as of Wednesday, May 21, 2008.

### **9.1 Definitions. For purposes of this Article:**

(a) "Conflicting interest" means the interest a director has respecting a transaction effected or proposed to be effected by the corporation or any other entity in which the corporation has a controlling interest if:

(1) The director knows at the time the corporation takes action that the director or a related person is a party to the transaction or has a significant beneficial financial interest in or so closely linked to the transaction that a reasonable person would expect the interest to influence the director's judgment if the director were called upon to vote on the transaction; or

(2) The transaction is brought before the Board for action, and the director knows at the time the Board reviews the transaction that any of the following persons is either a party to the transaction or has a significant beneficial financial interest in or so closely linked to the transaction that a reasonable person would expect the interest to influence the director's judgment if the director were called upon to vote on the transaction:

(a) An entity of which the director is a director, general partner, agent or employee;

(b) An entity that controls, is controlled by, or is under common control with one or more of the entities specified in (a); or

(c) An individual who is a general partner, principal, or employer of the director.

(b) "Director's conflicting interest transaction" means a transaction effected or proposed to be effected by the corporation or any other entity in which the corporation has a controlling interest respecting which a director of the corporation has a conflicting interest.

(e) "Qualified director" means any director who does not have either:

(1) A conflicting interest respecting the transaction; or

(2) A familial, financial, professional, or employment relationship with a second director who does have a conflicting interest respecting the transaction, which relationship would, in the circumstances, reasonably be expected to exert an influence on the first director's judgment when voting on the transaction.

(f) "Related person" of a director means:

(1) A child, grandchild, sibling, parent, or spouse of, or an individual occupying the same household as, the director, or a trust or estate of which any of the above individuals is a substantial beneficiary; or

2) A trust, estate, incompetent, conservatee, or minor of which the director is a fiduciary.

(g) "Required disclosure" means disclosure by the director who has a conflicting interest of:

(1) The existence and nature of the director's conflicting interest; and

(2) All facts known to the director respecting the subject matter of the transaction that an ordinarily prudent person would reasonably believe to be material to a judgment about whether or not to proceed with the transaction.

## **9.2 Directors' Action.**

(a) Majority Vote. Directors' action respecting a director's conflicting interest transaction is effective if the transaction received the affirmative vote of a majority of (but no fewer than two), qualified directors who voted on the transaction after either required disclosure to them or compliance with Paragraph (b) below.

(b) Director's Disclosure. If a director has a conflicting interest respecting a transaction, but neither the director nor a related person of the director is a party to the transaction, and if the director has a duty under law or professional canon, or a duty of confidentiality to another person, which would prevent that director from making the disclosure described in Paragraph 9.1(e), than disclosure is sufficient if the director:

(1) Discloses to the directors voting on the transaction the existence and nature of the director's conflicting interest and informs them of the character and limitations imposed by that duty before their vote on the transaction; and

(2) Plays no part, directly or indirectly in their deliberations or vote.

(c) Quorum. A majority (but no fewer than two) of the qualified directors constitutes a quorum for purposes of action that comply with this Article. Directors' action that otherwise complies with this Article is not affected by the presence or vote of a director who is not a qualified director.

## **ARTICLE X**

### **Books and Records**

The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its directors, giving the names and addresses of all directors.

## **ARTICLE XI**

### **Committees**

**11.1 Powers:** The Board may create committees as needed, such as fundraising, housing, etc. The Louisville Creative Centre Board of Directors appoints all committee chairs by *consensus* vote of all voting members of the Board of Directors.

**11.2 Executive Committee:** Any officers may serve as the members of the Executive Committee. Except for the power to amend the Articles of Incorporation and Bylaws, the Executive Committee shall have all of the powers and authority of the Board of Directors in the intervals between meetings of the Board of Directors, subject to the direction and control of the Board of Directors.

The Executive Vice President must serve on the Executive Committee and must be the Chair of the Executive Committee.

**11.3 Finance Committee:** The Board of Directors's Treasurer is Chair of the Finance Committee, which must include three other Louisville Creative Centre Board of Directors members and any other persons agreed by a *consensus* vote of the entire voting membership of the Board of Directors. The Finance Committee is responsible for developing and reviewing fiscal procedures, a fundraising plan, and annual budget with staff and other Board members. The Louisville Creative Centre Board of Directors must approve the budget, and all expenditures must be within the budget. Any major change in the budget must be approved by the Board or the Executive Committee. The fiscal year shall be April 16<sup>th</sup> of each year until April 15<sup>th</sup> of the following year. Annual reports are required to be submitted to the Louisville Creative Centre Board of Directors showing income, expenditures and pending income.

The financial records of the organization are public information and shall be made available to the membership, Louisville Creative Centre Board of Directors members, and the public.

## **ARTICLE XII**

### **Board Restricted Endowment Fund Policy**

In order to help provide for the Foundation's long-term viability, it is the Board's intention and policy to automatically allocate at least 5% of any funds donated to the Foundation to its "Board Restricted Endowment Fund" (the "Fund"). It is the purpose of the Fund to protect those assets for the long-term use of the Foundation and its programs, while achieving a moderate level of current income. Distributions from the Fund will be made at the direction of the board of directors of the Foundation and will be administered in accordance with the guidelines and limitations found in the Uniform Management of Institutional Funds Act (as it exists from time to time).

The Fund will be invested in accordance with the Foundation's Investment Policy (although funds may be pooled for investment purposes), but will be denoted in the Foundation's accounting records in a manner which clearly indicates its categorization as a

board restricted endowment, but in accordance with proper accounting procedures for nonprofit organizations..

This Board Restricted Endowment Fund Policy may be changed by the board, in its discretion, at any time, and from time to time, based on the needs of the Foundation.

### **ARTICLE XIII**

#### **Amendments**

The Board of Directors shall have power to make, alter, amend, and repeal the Bylaws of this corporation; provided, that the Board will not approve any such alteration, amendment, or repeal that would adversely impact the rights of any class of directors unless such alteration, amendment, or repeal shall first have received the *consensus* vote of all voting members of the Louisville Creative Centre Board of Directors and directors of such class.

These bylaws adopted by resolution of the Louisville Creative Centre's Board of Directors on this day the Wednesday, May 21, 2008.

Signature

Date of Signature

\_\_\_\_\_  
Lewis H. Washington, President

\_\_\_\_\_  
Rebecca L. Kelm, Vice President

\_\_\_\_\_  
James H. Peterson III, Executive Vice President

\_\_\_\_\_  
Deborah A. Dierks, Secretary

\_\_\_\_\_  
Jason A. Lambdin, Treasurer

## **Exhibit A**

### ***Conflict of Interest Policy of The Louisville Creative Centre, Inc.***

#### **Article I - Purpose**

The purpose of the conflict of interest policy of The Louisville Creative Centre, Inc. (the "Organization") is to supplement the protect the Organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

#### **Article II - Definitions**

##### **1. Interested Person**

Any director, principal officer, or member of a committee with governing board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

##### **2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

#### **Article III - Procedures**

##### **1. Duty to Disclose**

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

## 2. **Determining Whether a Conflict of Interests Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

## 3. **Procedures for Addressing the Conflict of Interest**

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether the Organization 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 governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

## 4. **Violations of the Conflicts of Interest Policy**

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **Article IV - Records of Proceedings**

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

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Article V - Compensation**

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

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

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

#### **Article VI - Annual Statements**

Each director, principal effect officer, and member of a committee with governing board-delegated powers shall annually sign a statement which affirms such person:

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

#### **Article VII - Periodic Reviews**

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangement and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

### **Article VIII - Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

10278262.1

**Unanimous Written Consent Of  
The Board Of Directors Of  
The Louisville Creative Centre, Inc.**

Acting pursuant to KRS 273.377, in lieu of a meeting, the undersigned, constituting all of the vote-holding members of the Board of Directors of The Louisville Creative Centre, Inc., a Kentucky nonprofit corporation (the "Corporation"), do hereby adopt the following resolutions:

WHEREAS, it is in the best interest of the Corporation to pursue best practices with respect to corporate governance and applicable statutes and regulations affecting tax-exempt organizations.

NOW, THEREFORE, BE IT RESOLVED, that the Conflict of Interest Policy in the form of the attached and incorporated Exhibit A be, and it hereby is, adopted as and for the Conflict of Interest Policy of the Corporation, and the Secretary is directed to cause the same to be inserted in the minute book of the Corporation; and

FURTHER RESOLVED, that this Unanimous Written Consent may be executed by original or facsimile signature in any number of counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute but one and the same instrument.

Dated as of Wednesday, May 21, 2008.

Signature

Date of Signature

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Lewis H. Washington, President

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Rebecca L. Kelm, Vice President

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James H. Peterson III, Executive Vice President

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Deborah A. Dierks, Secretary

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Jason A. Lambdin, Treasurer