

Mission Statement adopted February 21, 2006

The Fairfield Visual Arts Association is a non-profit organization of visual artists and friends of the arts working in collaboration with the community to promote artistic creativity, education and expression.

**BY-LAWS OF
FAIRFIELD VISUAL ARTS ASSOCIATION**

**A California Nonprofit
Public Benefit Corporation**

ARTICLE I

NAME

Section 1.1. The name of this corporation is FAIRFIELD VISUAL ARTS ASSOCIATION, a California Nonprofit Public Benefit Corporation.

ARTICLE II

OFFICE

Section 2.1. Principal Office. The principal office for the transaction of affairs and activities of the corporation is located at 502 Via Vacquero, Suisun, California. The Board of Directors may change the principal office from one location to another. Any change shall be noted on these By-Laws, or this section may be amended to state the new location.

Section 2.2 Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

ARTICLE III

MEMBERS

Section 3.1. This corporation shall have no members.

ARTICLE IV

DIRECTORS

Section 4.1. Powers.

(a) Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, all powers and activities

of the corporation shall be exercised directly by or under the ultimate direction of the Board of Directors.

(b) In addition to all other powers conferred by law, the Board of Directors, on behalf of the corporation, is empowered:

(1) To construct, operate, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease any real estate and personal property necessary and incident to the provision of such programs or fund raising and other related corporate purposes.

(2) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business, to secure the same by mortgage, pledge, or other lien.

Section 4.2. Number of Directors. The number of Directors shall be set at between five (5) and fifteen (15) by resolution of the Board of Directors.

Section 4.3. Compensation and Reimbursement of Directors. The Directors shall serve without compensation though they may be reimbursed for their expenditure of monies on behalf of the corporation.

Section 4.4. Restriction on Interested Persons as Directors. No more than 49 percent (49%) of the persons serving on the Board may be interested persons. An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time employee, independent contractor, or otherwise and (b) any relative or spouse of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 4.5. Appointment, Term of Office, and Qualification of Directors.

(a) The initial Directors shall be appointed by the Incorporator(s). All subsequent Directors shall be appointed by the Board of Directors of FAIRFIELD VISUAL ARTS ASSOCIATION

(b) The term of office for each Director of this Corporation shall be four (4) years, unless earlier removed by the Board of Directors. A Director shall serve until reappointed or an appointment is made by the Board of Directors of FAIRFIELD VISUAL ARTS ASSOCIATION A Director shall not serve for more than two (2) full consecutive terms.

Section 4.6. Vacancies on the Board of Directors. A vacancy shall be deemed to exist in the event that the actual number of Directors is less than the authorized number for any reason.

Section 4.7. Removal of Directors. The Board of Directors of FAIRFIELD VISUAL ARTS ASSOCIATION may remove any Director (at any time including prior to expiration of the Director's term) with or without cause. Absence of a Director from three (3) or more consecutive board meetings shall constitute cause for removal.

Section 4.8. Resignation of Directors. Except as provided below, any Director may resign by giving written notice to the president or secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board of Directors of FAIRFIELD VISUAL ARTS ASSOCIATION shall appoint a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of California, no Director may resign if the corporation would be left without a duly elected Director or Directors.

Section 4.9. Filling Vacancies. Vacancies shall be filled by the Board of Directors.

Section 4.10. No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

Section 4.11. Meetings of the Directors. A regular meeting shall be held once a year at such time and place as shall from time to time be fixed by the Directors for the purpose of organization, election of officers and the transaction of other business.

Section 4.12. Special Meetings. Special meetings of the Board for any purpose may be called at any time by the president, any vice president, the treasurer, the secretary, or any three (3) Directors.

Section 4.13. Notice. Notice of regular and special meetings shall be given to the Directors not less than four (4) days prior to the meeting if delivered by first class mail or not less than twenty-four (24) hours prior to the meeting if the notice is delivered personally or by telephone. The notice must state the date and time of the meeting.

Section 4.14. Waiver of Notice. Notice of a meeting need not be given to any Director who, either before or after the meeting, approves a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such

waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

Section 4.15. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Directors present at a duly held meeting of which a quorum is present shall be the act of the Board.

Section 4.16. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment to another time and place shall be given to the Directors who were not present at the time of the adjournment.

Section 4.17. Action Without a Meeting. Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to the action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

Section 4.18. Meetings by Conference Telephone. Members of the Board of Directors may participate in a meeting through the use of conference telephone or similar communications equipment, so long as all persons participating in the meeting can hear one another. Participation by Directors in a meeting in the manner provided in this section constitutes presence in person at the meeting.

Section 4.19. Committees of Directors. The Board of Directors may, by resolution adopted by a majority of the Directors then in office, designate one or more committees, each consisting of two (2) or more Directors, to serve at the pleasure of the Board. Appointments to such committees shall be by majority vote of the Directors then in office. Any committee, to the extent provided in the resolution, shall have all the authority of the Board, except that no committee, regardless of Board resolution may:

- (a) Fill vacancies on the Board of Directors or on any committee;
- (b) Fix compensation of Directors for serving on the Board or any committee;
- (c) Amend or repeal By-Laws or adopt new By-Laws;
- (d) Amend or repeal any resolution of the Board of Directors which by its

express terms is not so amendable or repealable;

(e) Appoint any other committees of the Board of Directors or the members of these committees;

(f) Spend corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected.

Section 4.20. Committee Meetings. Meetings and actions of committees shall be governed by and held and taken in accordance with the provisions of this Article IV concerning meetings of Director, with such changes in the context of those By-Laws as are necessary to substitute the committee and its members for the Board of Directors and its members. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the governance of any committee consistent with the provisions of these By-Laws concerning meetings of Directors.

Section 4.21. Standard of Care - General. A Director shall perform the duties of a Director, including duties as a member of any committee of the Board on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

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

(a) One or more officers or employees of the corporation whom the Directors believe to be reliable and competent in the matters presented;

(b) Counsel, independent accountants or other persons as to matters which the Director believes 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 believes to merit confidence, so long as in any such case, the Director acts in good faith, after reasonable inquiry when the need thereof is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except in the case of a self-dealing Director, as described in Section 4.23 of these By-Laws, a 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 limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the corporation, or assets held by it, are dedicated.

Section 4.22. Standard of Care - Investments. Except with respect to assets held for use or used directly in carrying out this corporation's charitable activities, in investing, reinvesting, purchasing, acquiring, exchanging, selling and managing this corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probably income, as well as the probably safety of this corporation's capital. The provisions of Section 4.22 of these By-Laws shall apply to this subsection.

Section 4.23. Self-Dealing Transactions. Except as provided below, the Board shall not approve a self-dealing transaction. A self-dealing transaction is one in which the corporation is a party and in which one or more of the Directors has a material financial interest or a transaction between this corporation and any entity in which one or more of its Directors has a material financial interest. The Board may approve a self-dealing transaction if a majority of the Board, not including the self-interested Director, determines that the transaction is fair and reasonable to this corporation and, after reasonable investigation under the circumstances, determines that they could not have secured a more advantageous arrangement with reasonable effort under the circumstances.

Section 4.24. Inspection. Every Director shall, at his or her own expense, have the absolute right at any reasonable time during the business hours of the corporation to inspect and copy all books, records and documents, and to inspect the physical properties of this corporation.

ARTICLE V

OFFICERS

Section 5.1. Officers of the Corporation. The officers of the corporation shall be a president, a secretary and a treasurer. The corporation may also have, at the Board's discretion, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with Section 5.3 of these By-Laws. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as the president.

Section 5.2. Election of Officers. The president, vice president, secretary and treasurer (the "Primary Officers") of the corporation, shall be chosen annually by a majority of the Board and shall serve at the pleasure of the Board. Primary Officers must

be chosen from among Directors of the corporation.

Section 5.3. Other Officers. The Board may appoint or may authorize the president or other Primary Officer to appoint any other officers that the corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the By-Laws or determined by the Board.

Section 5.4. Removal of Officers. Any officer may be removed with or without cause by the Board and also, if the officer was appointed by a Primary Officer, by the Primary Officer who appointed him or her.

Section 5.5. Resignation of Officers. Any officer may resign at any time by giving written notice to the president or secretary of the corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall not affect the rights, if any, of the corporation under any contract to which the officer is a party. Nor shall the resignation of any officer from the office he or she holds affect his or her position as a Director of the corporation.

Section 5.6. Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these By-Laws for regular appointments to that office, provided, however, that vacancies may be filled as they occur.

Section 5.7. Reimbursement of Expenses. The corporation shall provide reimbursement for monies expended on behalf of the corporation by its officers.

Section 5.8. President. The president shall preside at meetings of the Board of Directors and shall exercise and perform such other powers and duties as may from time to time be assigned to the President by the Board of Directors. Subject to the control of the Board, the President shall be the general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and officers.

Section 5.9. Vice Presidents. If the President is absent or disabled, the Vice Presidents, if any, in order of their rank as fixed by the Board of Directors, or, if not ranked, a Vice President designated by the Board of Directors, shall perform all duties of the President. When so acting, a Vice President shall have all powers of and be subject to all restrictions of the President. The Vice Presidents shall have such other powers and perform such other duties as the Board of Directors or the By-Laws may prescribe.

Section 5.10. Secretary. The secretary shall have the following duties:

(a) The secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of committees of the Board. The minutes of the meetings shall include the time and place that meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized and the notice given.

(b) The secretary shall keep or cause to be kept at the principal office, a copy of the Articles of Incorporation and By-Laws of the corporation, as amended to date.

(c) The secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these By-Laws. The secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the By-Laws may prescribe.

Section 5.11. Treasurer. The treasurer shall have the following duties:

(a) The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these By-Laws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times during the business hours of the corporation.

(b) The treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the Board may designate, shall disburse the corporation's funds as the Board may order, shall render to the president, chairman of the Board, and the Board, when requested, an account of all transactions as treasurer and of the financial condition of the corporation, and shall have other powers and perform such other duties as the Board or the By-Laws may prescribe.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Fiscal Year. The fiscal year of this corporation shall be adopted by and changed by resolution of the Board.

Section 6.2. Corporate Seal. This corporation may have a seal which shall be specified by resolution of the Board of Directors. The seal may be affixed to any corporate instruments, as directed by the Board or any of its officers, but failure to affix it

shall not affect the validity of the instrument.

Section 6.3. Contracts. All contracts entered into on behalf of this corporation must be authorized by the Board of Directors, or where the contract is for less than \$10,000.00, by the President, Vice-President or Treasurer.

Section 6.4. Execution of Checks. Except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of the corporation shall be signed by such individuals as are authorized by the Board of Directors.

Section 6.5. Indemnification. This corporation shall indemnify its Directors, officers, employees and agents, including persons formerly occupying any such position, to the fullest extent permitted by law, against all expenses, judgments, fines and other amounts actually and reasonably incurred by them in connection with any threatened, pending or completed action or proceedings, whether it is civil, criminal, administrative or investigative.

In all cases where indemnification is sought, the corporation shall be subject to the following restrictions and requirements:

(a) Where the action or proceeding is brought on behalf of the corporation or involves self-dealing transactions, as defined in Section 4.24 of these By-Laws, the corporation shall not indemnify against amounts paid in settlement or judgment amounts, but shall, upon the express authorization of the Board, indemnify the Director, officer, employee or agent against expenses incurred in defense of an action arising from his or her relation to the corporation. To indemnify in such cases the Board must find the person met the statutorily prescribed standard of care by acting (1) in good faith, (2) in the best interests of the corporation, and (3) with the care of an ordinarily prudent person.

(b) Where the person seeking indemnification under this section has been held liable to the corporation, or has settled his or her liability to the corporation, the corporation shall not indemnify against expenses without the approval of the court or the Attorney General.

(c) The Board shall determine whether the person seeking indemnification has acted in accordance with the standard of care set forth in subsection (a) of this section by a majority vote of a quorum consisting of disinterested Directors. The termination of any proceeding in a manner adverse to the defendant seeking indemnification shall not create a presumption that such person failed to meet the standard of care.

(d) Where the person seeking indemnification has been successful on the

merits in defense of any action or proceeding brought on behalf of the corporation or in defense of any claim or issue involved in such action or proceeding, the corporation shall indemnify against all expenses actually or reasonably incurred.

(e) The corporation shall not advance any money to the person seeking indemnification for the purpose of defending against any action or proceeding without the receipt of an undertaking by such person to repay all advances unless it is ultimately determined that he or she is entitled to indemnification.

Section 6.6. Insurance. The Board of Directors may adopt a resolution authorizing the purchase of insurance on behalf of any Director, officer, employee, or agent of this corporation against any liability asserted against or incurred by the Director, officer, employee, or agent in such capacity or arising out of the Director's, officer's, employee's, or agent's status as such, whether or not this corporation would have the power to indemnify under law; except, the corporation may not purchase insurance to protect self-dealing Directors (as defined in Section 4.24 of these By-Laws) from liability.

Section 6.7. Reports to Directors. The Board of Directors shall cause an annual report to be sent to each Director within 120 days after the end of the corporation's fiscal year. That report shall contain the following information in appropriate detail, for the fiscal year:

(a) The assets and liabilities, including the trust funds, of this corporation as of the end of the fiscal year;

(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;

(c) The revenue or receipts of this corporation, both unrestricted and restricted for particular purposes, for the fiscal year;

(d) The expenses or disbursements of this corporation, for both general and restricted purposes during the fiscal year.

Section 6.8. Annual Statement of Certain Transactions. As part of the annual report to all Directors, the corporation shall annually furnish a written statement to all Directors that lists any transaction during the prior fiscal year involving One Thousand Dollars (\$1,000.00) or more between this corporation or a subsidiary and any Director or officer of this corporation or a subsidiary. The report must disclose the name of the Director or officer and the person's relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest. The President must also furnish an annual written report to all Directors disclosing the

amount and circumstances of any indemnifications or advances aggregating more than One Thousand Dollars (\$1,000.00) paid during the prior fiscal year to any officer or Director of the corporation.

Section 6.9. Amendment of By-Laws. The By-Laws may be amended or repealed and new By-Laws adopted by the vote of a majority of all of the members of the Board of Directors. Such amended or newly adopted By-Laws shall take effect immediately.

CERTIFICATE OF SECRETARY

The undersigned, secretary of FAIRFIELD VISUAL ARTS ASSOCIATION, a California Nonprofit Public Benefit Corporation, hereby certifies that the foregoing is a full, true and correct copy of the By-Laws of said corporation, with all amendments to date of this certificate.

WITNESS the signature of the undersigned and the seal of the corporation this 8th of April, 2002.


SECRETARY
FAIRFIELD VISUAL ARTS ASSOCIATION

OPERATIONAL GUIDELINES
OF
FAIRFIELD VISUAL ARTS ASSOCIATION
Approved by FVAA on October 24, 2000 with final approval and
amendment on January 16, 2001
amendment on May 13, 2002

ARTICLE I
NAME

The name of this organization shall be THE FAIRFIELD VISUAL ARTS ASSOCIATION
Acronym F.V.A.A.

ARTICLE II
PURPOSE

The objective of FVAA is to promote and sustain interest in the visual arts and the visual
artist in the following ways:

- a. Create a venue for the visual artists to have their art works exhibited, juried, and/or sold.
- b. Create a venue for the growth of the local visual artist which may include, but is not limited to the following:
 1. Hold monthly meetings
 2. Sponsor art education programs: how to frame, mat and display art, maintaining a portfolio, photographing art, the business of art, etc.
 3. Collect and display art related information: i.e. books, magazines, news clippings
 4. Visits to art galleries, art shows, museums, private collections
 5. Provide updated list of local visual artists
 6. Provide an updated list of art supply stores, address, and telephone numbers, catalogs
 7. Create and maintain a newsletter
 8. Sponsor workshops and other art forums
- c. Create a venue for marketing of art projects which may include, but not limited to the following:
 1. Locate and hold art shows in business, galleries, museums, etc.
 2. Create and maintain a website
 3. Create and maintain a listing of visual artists in a portfolio
 4. Create and maintain a newsletter with artist profiled
 5. Write and submit news releases on a regular basis
 6. Conduct art informational business meetings

ARTICLE III

SUBSCRIBERS

SECTION 1 ACTIVE SUBSCRIBERS

Any person who has completed the application and is approved and has paid their dues would be classified as an active subscriber.

Benefits of active subscribers are:

Subscription to FVAA newsletter, reduced exhibit entry fees, discounts on admission to FVAA events, to serve on and chair FVAA committees. Active subscribers will be allowed to vote at all meetings and regular elections.

SECTION 2 HONORARY SUBSCRIBERS

Any person who is not an active subscriber of the FVAA, and is elected by the Board for membership due to extraordinary contributions to the Arts or to FVAA, will be considered an honorary subscriber.

Honorary subscribers are entitled to subscription to the FVAA newsletter and discounts to FVAA events. Honorary subscribers do not have voting rights.

SECTION 3 RESIGNATION, TERMINATION, AND REINSTATEMENT

Resignation or termination of subscribership shall constitute relinquishment of the resigning subscriber's rights and privileges, but shall not affect the resigning subscriber's financial obligation to the FVAA which may have accrued to the date of said resignation.

Reinstatement shall occur only when a subscriber has fully paid his/her annual dues for the current year.

ARTICLE V OFFICERS

SECTION 1

The elected officers constituting the Board of the Association shall be:

President
Vice-President
Secretary
Treasurer

The position of Past President will be filled automatically by the previous year's President.

SECTION 2

The President shall supervise the Association's activities and carry into effect the decisions of the Board. The President shall preside at all general meetings and also Board meetings. The President shall sign all written contracts of the Association with board approval; make a report at the end of his/her term as to the progress of the Association during the past year with recommendations for the following year and may have such other powers and duties as the by-laws may direct. The President shall carry out the duties of his/her office in such a way as to promote the effective operation of the FVAA. The President shall be an ex-officio member of all committees.

SECTION 3

The Vice-President shall perform all duties of the President in the absence or disability of the President. These duties shall have the same validity and binding effect as if done by the President.

SECTION 4

The treasurer shall act as a custodian of all funds of the Association; shall pay all bills when authorized by the Board; shall submit a financial report at each general meeting and submit an annual financial report at the end of the year; shall have all checks countersigned by a duly elected officer of the Association and shall be accountable to the Board for all funds of the Association.

SECTION 4

The secretary may include, but not limited to the following: Board members submit topics for the agenda and the secretary shall formulate agenda. The secretary shall keep minutes of both general and Board meetings of the Association; shall keep and be custodian of the records of the Association; shall, before each meeting, submit to members of the Board and agenda of the meeting. The secretary shall maintain an inventory of all property of every kind and nature of the Association and make proper records.

SECTION 5

The Past President will have full Officer voting rights at board meetings, and will assume a place with the current officers at all regular meetings, but will not be obligated to "any" particular function other than activities or committees of their choosing. The position is purely Advisory in function.

ARTICLE V (continued)

SECTION 6

The following directors will be appointed by the President:

Director of Shows

Director of Publicity and Marketing (appoints newsletter editor)

Director of Membership Activities

Director of Funds and Grants

Each director may appoint chairmen, assistants, and committees for each category.

ARTICLE VI MEETINGS

SECTION 1

All business meetings shall be conducted in accordance with the latest edition of Roberts Rules of Order insofar as they are applicable and consistent with these bylaws.

- a. General Meetings of the Association shall be held monthly, unless the board votes for an exception. However, special meeting times may be made by the Board subject to due notice. Special general meetings may be petitioned in writing by at least ten members.
- b. The purpose of all general meetings shall be to present to the subscribership reports of progress, activities and projects of the Association. Ample time shall be provided for educational activities pertaining to the visual arts and consistent with the purpose of the Association as stated in these bylaws.
- c. Notice of Meetings. Notification of date, place and time of each meeting shall be noted in all newsletters.
- d. The Board shall meet monthly, unless the board votes for an exception. Special meetings of the Board may be called at any time a quorum approves.
- e. Any member of the Association, in good standing, may attend a meeting of the Board. Any item for the agenda must have prior notice.
- f. During the term of special appointments either as committee chairman or individuals, an appointee may be invited to attend pertinent Board meetings, but shall not have the power to make motions or vote.

SECTION 2.

QUORUM

- a. A quorum for a general meeting of the Association (either regular or special) shall consist of not less than 4 active subscribers and 2 officers.
- b. A quorum of the board shall consist of a majority of the elected officers.

**CONFLICT OF INTEREST POLICY
FOR THE
FAIRFIELD VISUAL ARTS ASSOCIATION**

Article I

Purpose

The purpose of this conflict of interest policy is to protect the FAIRFIELD VISUAL ARTS ASSOCIATION (hereinafter referred to as "Organization") interests 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, principle 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.
2. Compensation: Direct and indirect remuneration as well as gifts or favors that are not insubstantial.

**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 government board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest 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 won 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 circumstance, 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 connect 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 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 o 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 form providing information to any committee regarding compensation.

Article VI
Annual Statements

Each director, principal 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 understand 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 arrangements 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.

CERTIFICATE OF THE SECRETARY

The undersigned, secretary of FAIRFIELD VISUAL ARTS ASSOCIATION, a California Nonprofit Public Benefit Corporation, hereby certifies that the foregoing is a full, true and correct copy of the Conflict of Interest Policy of said corporation to date of this certificate.

WITNESS the signature of the undersigned and the seal of the corporation this ___ of ___ 2007.

SECRETARY
FAIRFIELD VISUAL ARTS ASSOCIATION