

BYLAWS

of

KLIPSCH HERITAGE MUSEUM ASSOCIATION, INC.

P.O. Box 280, Hope, AR 71802

Table of Contents

ARTICLE I - THE CORPORATION	1
Section 1.1. Name.....	1
Section 1.2. Offices.....	1
Section 1.3. Purpose.....	1
Section 1.4. Vision and Mission.....	1
ARTICLE II - NONPROFIT ORGANIZATION	1
ARTICLE III - MEMBERSHIP	2
Section 3.1. Designation of Membership Classes.....	2
Annual Member.....	2
Charter Member.....	2
Honorary Member.....	2
Life Member.....	2
Sustaining Member.....	2
Other Membership Classes.....	3
Section 3.2. Membership Dues.....	3
Section 3.3. Entitlements.....	3
Section 3.4. Nondiscrimination.....	3
Section 3.5. Termination of Membership.....	3
Section 3.6. Annual Membership Meeting.....	4
Section 3.7. Annual Report.....	4
Section 3.8. Special Membership Meetings.....	4
Section 3.9. Place of Meetings; Organization.....	4
Section 3.10. Notice of Membership Meetings; Waivers.....	5
Section 3.11. Quorum of Members.....	5
Section 3.12. Action by the Members.....	5
Section 3.13. Property Rights of Members.....	6
ARTICLE IV - BOARD OF TRUSTEES	6
Section 4.1. Power of Board of Trustees.....	6
Section 4.2. Number, Election, and Term of Trustees.....	6
Section 4.3. Resignation and Removal of Trustees.....	7
Section 4.4. Newly Created Trusteeships and Vacancies.....	8
Section 4.5. Annual Meeting.....	8
Section 4.6. Annual Report.....	8
Section 4.7. Regular Meetings.....	8
Section 4.8. Special Meetings; Emergency Meetings.....	8
Section 4.9. Waivers of Notice.....	9
Section 4.10. Place of Meetings; Attendance by Telephone or Video Conference.....	9
Section 4.11. Quorum and Adjourned Meetings.....	9

Section 4.12. Action by the Board of Trustees.....	9
Section 4.13. Organization.....	10
Section 4.14. Attendance at Meetings.....	10
Section 4.15. Compensation.....	10
Section 4.16. Property Rights.....	10
Section 4.17. Conflict of Interest Policy.....	10
ARTICLE V - OFFICERS.....	11
Section 5.1. Description and Number.....	11
Section 5.2. Election and Terms of Officers.....	11
Section 5.3. Additional Officers.....	11
Section 5.4. Removal of Officers.....	12
Section 5.5. Resignation.....	12
Section 5.6. Vacancies.....	12
Section 5.7. President.....	12
Section 5.8. Vice-President.....	12
Section 5.9. Curator.....	12
Section 5.10. Secretary.....	13
Section 5.11. Treasurer.....	13
ARTICLE VI - COMMITTEES.....	14
Section 6.1. Executive Committee.....	14
Section 6.2. Standing Committees.....	14
Section 6.3. Special Committees.....	17
Section 6.4. President's Board of Advisors.....	17
Section 6.5. Meetings.....	17
Section 6.6. Quorum.....	17
Section 6.7. Manner of Acting.....	18
ARTICLE VII - CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS.....	18
Section 7.1. Execution of Contracts.....	18
Section 7.2. Loans.....	18
Section 7.3. Checks, Drafts, etc.....	18
Section 7.4. Deposits.....	19
ARTICLE VIII - GENERAL.....	19
Section 8.1. Seal Not Required.....	19
Section 8.2. Books and Records.....	19
Section 8.3. Indemnification.....	19
Section 8.4. Insurance.....	19
Section 8.5. Ethical Standards.....	19

ARTICLE IX – GIFTS 20
 Section 9.1. Acceptance of Gifts..... 20
 Section 9.2. Conditions and Limitations..... 20
 Section 9.3. Funds and Accounts. 20

ARTICLE X - FISCAL YEAR..... 20

ARTICLE XI - DIVIDENDS PROHIBITED..... 20

ARTICLE XII - DISPOSAL OF PROPERTY. 20
 Section 12.1. Archival Records. 20
 Section 12.2. Final Disposal of Assets. 21

ARTICLE XIII - RULES OF ORDER AND BYLAW CHANGES..... 21
 Section 13.1. Rules of Order. 21
 Section 13.2. Bylaw Changes.. 21

CERTIFICATE..... 22

ARTICLE I - THE CORPORATION

Section 1.1. Name.

The Corporation shall be known as: Klipsch Heritage Museum Association, Inc. ("KHMA"), operating a museum doing business as the Klipsch Museum of Audio History ("Museum").

Section 1.2. Offices.

The principal office of the KHMA shall be located in Hope, Arkansas at 136 Hempstead 278. KHMA may also have offices at such other places within or outside the State of Arkansas as the Board of Trustees ("Board") may from time to time determine.

Section 1.3. Purpose.

KHMA is organized exclusively for charitable, educational, and scientific 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 corresponding section of any future federal tax code.

Section 1.4. Vision and Mission Statements.

Vision

Our vision is to foster interest in Science, Technology, Engineering and Mathematics through the examples of Paul W. Klipsch.

Mission

The KHMA's mission is to restore, preserve, maintain and display Klipsch and Klipsch-related artifacts and archival materials for historic purposes, as well as to conduct historical research and to host educational activities and events.

ARTICLE II - NONPROFIT ORGANIZATION

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, officers, trustees or other private persons, but the KHMA may pay reasonable compensation to employees where such personnel are necessary for the successful operation of KHMA as progress is made in its organization and continued existence. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal

tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

ARTICLE III - MEMBERSHIP

Section 3.1. Designation of Membership Classes.

KHMA shall consist of the following membership names and classes:

- (a) **Annual Member:** Any person who wishes to engage in one or more of the purposes of the KHMA as listed in the Articles of Incorporation and these Bylaws. Formal application for membership shall be requested by such person and submitted for acceptance by the Secretary. The dues sum will be established by the Board pursuant to Section 3.2 and dues will be submitted to the Treasurer in accordance with the Financial Policy as established and approved by the Board.
- (b) **Charter Member:** A limited number of charter memberships will be made available. The exact number of memberships and required amount of dues payment and/or donation is to be determined by the Board as part of a duly called meeting and recorded in the Minutes. Charter Members will be memorialized in a permanent display housed within the KHMA museum facility and in appropriate KHMA publications and media as determined by the Board. All Charter Members' names will be recorded in the Minutes of the Board meeting immediately following the Member's application being accepted by the Secretary.
- (c) **Honorary Member:** A person selected by the affirmative vote of two-thirds of the Board for outstanding work in audio history, audio technological development or for service to KHMA. This shall be considered an indefinite membership unless terminated for just cause by KHMA or by resignation of the Member. There shall be no dues or other fees for Honorary Membership.
- (d) **Life Member:** A category for Life membership in KHMA may be established by the Board and may be offered to any person who pays a lump sum (or other installments as determined by the Board), such sum and manner of payment to be established by the Board pursuant to Section 3.2, but in no event shall it be less than ten (10) times the amount of the Annual Member dues amount.
- (e) **Sustaining Member:** Sustaining membership in KHMA shall be offered to any person who annually pays a premium dues amount. The exact amount is to be determined by the Board as part of a duly called meeting and recorded in the Minutes. The dues payment will consist of the regular dues amount established under Section 3.1(a) for Annual Members and a donation amount. The donation

amount will be considered a tax deductible donation to KHMA. The Board may establish different levels of Sustaining membership.

- (f) Other Membership Classes: The Board may create other classes and categories of membership, voting or non-voting, that may facilitate KHMA in achieving its goals and objectives such as family and student memberships and business sponsorships.

Section 3.2. Membership Dues

Membership dues shall be established by action of the Board at a duly called meeting, as directed by these Bylaws in Section 3.1. Such action shall be documented in the Minutes of the meeting. Dues shall be published on the KHMA website and in any other publications as directed by the Board. Membership dues amounts may only be changed by the Board at a duly called meeting and recorded in the Minutes.

Section 3.3. Entitlements

Each member in good standing shall receive all appropriate notices and be entitled to a single vote on every issue that may be submitted to the entire membership for decision. Every member shall receive all periodic publications issued by KHMA upon payment of the appropriate dues. Every member in good standing may submit specific written proposals and comments on KHMA policies, programs and administrative practices for consideration by the Board of Trustees, and shall be entitled to speak in favor of that member's position if the topic in question is taken up for Board consideration. All members in good standing may attend open-session committee and Board of Trustees meetings as observers, and may contribute if invited to do so.

Section 3.4. Nondiscrimination

The KHMA will not exclude any person on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, political opinion or affiliation, or military status in any of its activities or operations. The KHMA will endeavor to be inclusive and to afford an equal opportunity to all persons who participate in the KHMA.

Section 3.5. Termination of Membership

Causes and procedures for termination of membership are:

- (a) Any member may withdraw from KHMA by submitting to the Secretary a written statement of resignation. Except under special circumstances or by action of the Board, any dues which have been paid will not be returned.
- (b) Nonpayment of dues in a timely manner shall result in automatic termination of membership, without any further action by the Board. Membership may be renewed

- upon application to the Secretary and payment of current dues.
- (c) If a member is considered to have acted in a manner prejudicial to the interests of KHMA, or misrepresents KHMA, or intentionally commits any act or omission in the name of KHMA which casts KHMA in a negative light, said member is a candidate for expulsion from KHMA. Said member shall be given notice and a right of hearing before the Board. Expulsion of a member shall be by an affirmative vote of two-thirds of the Board members present at a regularly scheduled board meeting. If the member is expelled, all remaining dues will be forfeited.
 - (d) Any resigned or expelled member forfeits all rights and/or privileges of membership in KHMA.

Section 3.6. Annual Membership Meeting.

An annual membership meeting shall be held each year, preferably in the spring of each year to coincide with any annual Museum event, at such time and place as may be designated by the Board and stated in the notice of the meeting. At the annual meeting the members shall elect any Trustee positions that are elected by the members and are up for election, receive the annual report and transact such other business as may properly come before the meeting.

Section 3.7. Annual Report.

At the annual membership meeting, the President, the Curator, and the Treasurer shall present an annual membership report showing in appropriate detail the following information:

- (a) The financial information described in Article V, Section 5.11 of these Bylaws;
- (b) A summary of the activities of KHMA during the preceding year;
- (c) The number of members of KHMA as of the date of the report, together with a statement of increase or decrease in such number during the preceding year, and the place where the names and addresses of the current members can be found.

The annual report shall be filed with the Minutes of the annual membership meeting.

Section 3.8. Special Membership Meetings.

Special membership meetings for any purpose may be called by the President of KHMA and shall also be called by the President or the Secretary within fourteen (14) days of receipt of a written request from 10 percent (10%) or more of the members. Such request shall state the purpose or purposes for the proposed meeting and the special meeting shall be held not fewer than sixty (60) nor more than ninety (90) days following the date the meeting is called (as opposed to when the meeting is noticed pursuant to Section 3.10). Business transacted at a special meeting shall be confined to the purposes stated in the notice of such meeting.

Section 3.9. Place of Meetings; Organization.

All membership meetings shall be held at a convenient location determined by the Board of

KHMA. At each membership meeting the President or, in his or her absence, the Vice-President shall preside. The Secretary or, in his or her absence, a person chosen by a majority of the members present shall keep complete and accurate minutes of the meeting.

Section 3.10. Notice of Membership Meetings; Waivers.

- (a) Notice of each membership meeting shall state the purpose or purposes for which the meeting is called, the place, date and time of the meeting and, unless it is the annual meeting, shall indicate that it is being issued by or at the direction of the person or persons calling the meeting. Such notice shall be given by email message to each member not fewer than thirty (30) nor more than sixty (60) days before the date of the meeting. The notice is given when sent to a member at his or her email address or, if he or she shall have filed a written request with the Secretary that notices be sent to some other email address, then directed to such other email address. If a member does not wish to receive notice by email they must submit a signed written request to the Secretary along with an annual mailing service fee to be determined from time to time by the Executive Committee and approved by the Board.
- (b) Formal notice of meeting need not be given to a member if he or she executes a waiver of notice, either before or after the meeting. The attendance of a member at a meeting, without protesting, prior thereto or at its commencement, shall constitute a waiver of notice.

Section 3.11. Quorum of Members.

- (a) The presence in person or by proxy of one-tenth (1/10) of the total number of members of KHMA shall constitute a quorum for the transaction of business at any annual or special membership meeting.
- (b) A majority of the members present at a meeting, whether or not a quorum is present, may adjourn any membership meeting to another time and place. Notice of the time and of holding of a subsequent meeting need not be given to absent members if the time and place are announced at the meeting adjourned.

Section 3.12. Action by the Members.

- (a) Each member shall be entitled to one vote on each matter properly submitted to the members for action at any meeting of the members. Unless otherwise required by law or these Bylaws, the vote of a majority of members present in person or by proxy at the time of a vote at a duly convened meeting, provided a quorum is then present, shall be the act of the members.
- (b) Every member entitled to vote at a meeting of members may authorize another member, or members, of KHMA to attend and act for him or her by proxy. Every

proxy must be in writing and signed by the member granting the proxy or that member's attorney-in fact and sent to the Secretary by regular mail or email and received no later than five (5) days prior to the scheduled meeting. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the member who granted it, except as otherwise provided by law.

Section 3.13. Property Rights of Members.

The members shall not have any rights or interests in or to the property or assets of the KHMA.

ARTICLE IV - BOARD OF TRUSTEES

Section 4.1. Power of Board of Trustees.

The affairs, activities and operation of the KHMA shall be managed by its Board of Trustees ("Board"), which shall establish all general policies governing its operations. The Board shall have the duty to see that the purposes of the KHMA, as set forth in the Articles of Incorporation and these Bylaws, as amended and restated from time to time, are furthered and accomplished to the best of its ability.

Section 4.2. Number, Election, and Term of Trustees.

- (a) The Corporation shall designate a Board of Trustees who shall initially be appointed by a majority of the incorporators to serve as Trustees until such Trustee's initial term expires or the death, resignation, or removal of the Trustee occurs as provided by these bylaws. The number of Trustees (hereinafter referred to collectively as "Trustees" or individually as "Trustee") of the initial KHMA Board shall consist of nine (9) Trustees. The Minutes of the first Board meeting shall reflect the name of each initial Trustee appointed to the Board, the date of expiration of their initial term, and whether their slot is one that is elected by the Membership or the Board. Three (3) of the initial Trustees will be elected by the Members of KHMA when the initial Trustees' terms expire. The remaining Trustees shall be elected by the Board after their initial terms expire. Unless changed by amendment of these Bylaws, the number of Trustees shall be no fewer than five (5) and no more than twenty-one (21), with any change to be established by a vote of two-thirds (2/3) of the entire Board. As used in these Bylaws, "the entire Board" means the total number of Trustees which KHMA would have if there were no vacancies on the Board. Any approved decrease in the number of Trustees will not shorten the term of office of any currently serving Board member who will finish out his or her term. Any approved increase in the number of Trustee slots will be designated as being subsequently elected either by the Board or by the Membership and shall be noted in the Minutes of the meeting authorizing the increase.

- (b) Each Trustee shall hold office until the earliest of the expiration of such Trustee's term, or such Trustee's death, incapacity, resignation or removal in the manner hereinafter provided.
- (c) Except for the initial Trustees, Trustees slotted for Member election shall be elected by a majority vote of the members during their annual membership meeting in any year that such a Trustee's term expires. Trustees slotted for election by the Board will be elected by majority vote of the Board at its annual meeting in any year there are such expiring Trustee terms.
- (d) The total number of Trustees shall be divided into three classes of approximately equal size so that one third (1/3) of the Trustees come up for election each year which shall be elected at the annual membership meeting or annual Board meeting (depending on whether the position is Board elected or Membership elected) on a rotating basis. Trustees shall be elected at each annual Board/Membership meeting to succeed those incumbent Trustees whose terms of office expire that year and shall be elected to serve a term of three (3) years and until their successors are duly elected and qualified, except that a Trustee may be elected for a term of fewer than three years if necessary for the purpose of maintaining approximately equal class sizes.
- (e) Each Trustee must be a current member of KHMA in good standing. Trustees shall be eligible to serve an unlimited number of consecutive terms.

Section 4.3. Resignation and Removal of Trustees.

- (a) Any Trustee of KHMA may resign at any time by giving written notice to the President or the Secretary. Such resignation shall take effect at the time specified therein or, if no time is specified, then on delivery. Acceptance of the resignation shall not be necessary to make it effective.
- (b) Any Trustee may be removed from the Board without cause by vote of two-thirds (2/3) majority of the other Trustees, provided there is a quorum of not less than a majority of the entire Board of Trustees present at the meeting at which such action is taken.
- (c) Any Trustee who fails to attend two (2) regular Board meetings in a Board year without a valid excuse, as determined by the President, shall be considered for all purposes as having resigned as a Trustee.

Section 4.4. Newly Created Trusteeships and Vacancies.

Trustee(s) may be elected to fill newly created Trusteeship(s) resulting from an increase in the number of Trustees or a Trustee may be elected to fill a vacancy caused by resignation, death, disability or removal by a majority vote of the Board members present at an annual, regular or special meeting. A newly created Trusteeship shall be classified and have a term as set forth in Section 4.2(d). A Trustee elected to replace a vacancy shall hold that office for the unexpired term of his or her predecessor. If any vacancy or vacancies results in less than a quorum of remaining Trustees, any vacancy or vacancies may be filled by the affirmative vote of a majority of the remaining Trustees.

Section 4.5. Annual Meeting.

The annual meeting of the Board shall be held after the annual membership meeting each year at a convenient time and location designated by the Board. Notice of the annual meeting shall be given to each member of the Board at least thirty (30) days prior to the Board meeting by Email.

Section 4.6. Annual Report.

The Board shall direct the President and the Treasurer to present at its annual meeting an annual report verified by the President and the Treasurer or by a majority of Trustees, or certified by an independent public or certified public accountant, showing in appropriate detail the following:

- (a) The assets and liabilities as of the end of the preceding fiscal year;
- (b) The principal changes in assets and liabilities during said fiscal period;
- (c) The revenue or receipts of KHMA during said fiscal period; and
- (d) The expenses or disbursements of KHMA during said fiscal period.

This report shall be filed with the records of KHMA and a copy thereof entered in the Minutes of the meeting.

Section 4.7. Regular Meetings.

Regular meetings of the Board shall be held at least twice each year inclusive of the Annual Meeting at such times and places as may be determined from time to time by the President. Notice of regular meetings shall be given to each member of the Board at least thirty (30) days prior to the Board meeting by Email.

Section 4.8. Special Meetings; Emergency Meetings.

Special meetings of the Board may be called at any time by the President and shall be called by the Secretary if requested in writing by one-fifth (1/5) of the entire Board of KHMA. Notice of special meetings shall be given to each member of the Board at least fourteen 14 days prior to the meeting by email. Said notice shall state the purpose(s), time and place of the special meeting, and

no business other than that specified in the notice may be transacted at the special meeting. In the event that a Special meeting needs to be called due to an emergency or unusual urgency such as a natural disaster or other extraordinary situation, as determined by the President in his or her sole discretion, notice of such a meeting may be given on three (3) business days notice with such notice stating the emergency or urgency as determined by the President and shall state the purpose(s), time and place of the special meeting, and no business other than that specified in the notice may be transacted at the special meeting. The first order of business will be for the Board to consider whether such an emergency or urgency exists under this Section before proceeding further.

Section 4.9. Waivers of Notice.

Notice of a meeting need not be given to any Trustee who submits a signed waiver of notice, whether before, at or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.

Section 4.10. Place of Meetings; Attendance by Telephone or Video Conference.

The Board may hold its meetings at such place or places within or outside the State of Arkansas as the Board may from time to time by resolution determine. Any Trustee may attend any meeting of the Board, whether Annual, Regular, Special or committee of the Board by telephone or video conference call as necessary to minimize cost to the KHMA and to accommodate other personal commitments.

Section 4.11. Quorum and Adjourned Meetings.

- (a) A majority of the Trustees constituting the entire Board shall constitute a quorum for the transaction of business at meetings of the Board. When a quorum is once present to organize a meeting, it shall not be broken by the subsequent withdrawal of any Trustee(s).
- (b) A majority of the Trustees present, whether or not a quorum is present, may adjourn any Board meeting to another time and place, provided that at least three business (3) days written notice of the rescheduled meeting is emailed to all Trustees. If a quorum was originally present at the adjourned meeting, any business may be transacted that might have been transacted at the originally scheduled meeting.

Section 4.12. Action by the Board of Trustees.

- (a) Each Trustee shall have one vote regarding any corporate action to be taken at a meeting of the Board. Except as otherwise provided by law or these Bylaws, the vote of a majority of the Trustees present at the time of the vote at a duly convened meeting at which a quorum is present shall be the act of the Board.

- (b) Whenever the Board is required or permitted to take any action by vote, such action may be taken without a meeting if all Trustees unanimously consent in writing to the adoption of a resolution authorizing the action. The action must be evidenced by one or more written consents describing the action taken, signed by each Trustee, and included in the Minutes filed with the corporate records reflecting the action taken. Any action taken under this Subsection shall be effective when the last Trustee has signed the consent, unless the consent specifies a different effective date, which effective date shall control. A consent delivered by email or other electronic means with an image of the Trustee's signature shall constitute a valid signed consent. A consent signed under this Subsection has the effect of a meeting vote and may be described as such in any document.

Section 4.13. Organization.

At each meeting of the Board the President or, in his or her absence, the Vice-President, shall preside. The Secretary or, in his or her absence, a person chosen by a majority of the Trustees present, shall keep complete and accurate Minutes of the meeting.

Section 4.14. Attendance at Meetings.

Attendance at each meeting of the Board shall be recorded by the Secretary in the minutes thereof.

Section 4.15. Compensation.

The members of the Board shall receive no compensation for their services, but Trustees may be reimbursed for reasonable expenses incurred in the performance of KHMA duties subject to reimbursement policies and procedures adopted by the Board.

Section 4.16. Property Rights.

No Trustee of KHMA shall, by reasons of that position, have any rights to or interests in the property or assets of KHMA.

Section 4.17. Conflict of Interest Policy.

Upon disclosure of the material facts of a transaction and a Trustee's interest therein, a

Conflict of Interest Transaction may be authorized, approved or ratified if it receives the affirmative vote of a majority of the Trustees then in office who have no direct or indirect interest in the transaction. However, a Conflict of Interest Transaction may not be authorized, approved or ratified by less than a majority of the entire Board. A "Conflict of interest Transaction" is any contract or other transaction between KHMA and (a) any present Trustee or any individual who has served as a Trustee in the five years preceding the transaction ("past Trustee"), (b) any family member of a present or past Trustee, (c) any corporation, partnership, trust, or other entity in which a present or past Trustee is a director, officer, or holder of a financial interest, (d) any present officer or any individual who has served as an officer in the five years preceding the transaction ("past officer"), (e) any family member of a present or past officer, or (f) any corporation, partnership, trust, or other entity in which a present or past officer is a director, officer, or holder of a financial interest. In any instance where the Corporation proposes to enter into a conflict of interest transaction it shall follow the procedures and rules set forth in the Corporation's Conflict of Interest Policy adopted by the Board and as amended from time to time (which is attached hereto).

ARTICLE V - OFFICERS

Section 5.1. Description and Number.

The officers of KHMA shall be a President, a Vice-President, a Curator, a Secretary and a Treasurer. Any two or more offices may be held by the same individual, except the offices of President, Secretary and Treasurer. The officers shall serve without compensation at the pleasure of the Board, but may be reimbursed for reasonable expenses incurred in performing duties for KHMA subject to reimbursement policies and procedures adopted by the Board. Except for the initial officers, the number and identity of the officers shall be set by the Board at its annual meeting. The Board also may delegate to any officer the power to appoint any assistant or subordinate officer and to prescribe the duties, qualification and authority thereof.

Section 5.2. Election and Terms of Officers.

The KHMA shall designate officers who shall initially be appointed by a majority of the incorporators to serve as officers until such officer's expiration of term, death, resignation, or removal as provided by these bylaws. The officers shall then be elected by the Board at the annual meeting of the Board. Unless a different term is provided in the resolution of the Board electing such officer, the term of office of each officer shall be from July 1 to June 30 and until his or her successor is elected or appointed and qualified. Officers shall be eligible to serve an unlimited number of consecutive terms.

Section 5.3. Additional Officers.

Additional officers may be elected for such period, have such authority and perform such duties, either in an administrative or subordinate capacity, as the Board may from time to time determine.

Section 5.4. Removal of Officers.

Any officer may be removed by vote of a two-thirds (2/3) majority of the Board, with or without cause, at any time, provided there is a quorum of not less than a majority of the entire Board present at the meeting at which such action is taken.

Section 5.5. Resignation.

Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if no time is specified, then on delivery. Acceptance of the resignation shall not be necessary to make it effective.

Section 5.6. Vacancies.

In the event an officer is unable to complete his or her term, a replacement shall be nominated and voted upon by the Board to fill the unexpired term. Acceptance shall be by a majority vote of the Board members present at an annual, regular or special meeting of the Board.

Section 5.7. President.

The President shall be the chief executive officer of KHMA and shall generally supervise all affairs of KHMA. The President shall preside at all meetings of the members or the Board at which he or she is present. The President shall also perform such other duties as may be assigned to him or her from time to time by the Board. The President may sign, with the Secretary or any other proper officer of the KHMA authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer of the KHMA, or shall be required by law to be otherwise signed or executed.

Section 5.8. Vice-President.

KHMA shall have a Vice-President. In the event the President is absent or otherwise unable to act, his duties shall be assumed by the Vice-President.

Section 5.9. Curator.

The Curator shall be responsible for the Museum and solely responsible for the structure and documentation of the collection. The Curator shall work with all committees to improve the Museum. He or she shall have concurrent authority with the Board to accept donations to the collection. He or she may recommend to the Board the making or acceptance of loans of items or artifacts, and whether items should be accessioned or deaccessioned. The Curator will report to the Board at least annually on the condition of the exhibits, recommendations by the Accession

Committee (as provided under Article VI, Section 6.1) and the collection. The Curator may appoint Associate and Assistant Curators as he or she determines appropriate. The Curator shall create and maintain a Collections Management Policy, approved by the Board, as the operating document for the KHMA Museum and propose, as appropriate, revisions to the Collections Management Policy for review and approval at any Board meeting. The Curator shall also be responsible for obtaining documentation and artifact maintenance equipment and materials.

Section 5.10. Secretary.

It shall be the duty of the Secretary to prepare the Minutes of all meetings of the members, the Executive Committee and the Board; he or she shall also prepare, or supervise the preparation of, the Minutes of the Standing Committees and any other committees created by the President or the Board. The Secretary shall also be responsible for the giving of all notices required to be given by KHMA and the keeping of a current list of KHMA's members, Trustees and officers and their residence addresses. The Secretary shall be responsible for supervising the preparation and maintenance of the minutes and corporate records of KHMA. The Secretary shall attend to corporate correspondence and perform all the duties customarily incidental to his or her office and such other duties as may be assigned to him or her by the Board.

Section 5.11. Treasurer.

The Treasurer of the Corporation shall keep and maintain, or cause to be kept and maintained, full and accurate books and records of accounts of the Corporation's properties and transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and other matters customarily included in financial statements. The Treasurer shall send, or cause to be sent, to the Board of Trustees such financial statements and reports as are required to be sent by law, by these Bylaws or by the Board. The Treasurer shall:

- (a) Deposit, or cause to be deposited, this corporation's funds and other valuables in the name and to the credit of this corporation with such depositories as may be designated by the Board;
- (b) Disburse, or cause to be disbursed, the funds of this corporation as may be ordered by the Board, taking proper vouchers for such disbursements;
- (c) Participate in the development of the annual budget and in the monitoring of actual financial performance in relation to the budget;
- (d) Render, or cause to be rendered, to the President, and the Board, whenever requested, an account of all transactions entered into as Treasurer and of the financial condition of the Corporation;
- (e) Oversee the development and observation of the Corporation's financial policies; and

- (f) Have such other powers and perform such other duties as may be prescribed to him or her by the Board.

Corporation funds, property, books and vouchers in the hands of the Treasurer and/or the President shall be subject to the inspection and control of the Board of Trustees at any time. At the expiration of his/her term of office, the Treasurer shall deliver to the President all Corporation books, monies and other property in his/her possession within thirty (30) days.

ARTICLE VI - COMMITTEES

Section 6.1. Executive Committee

The Executive Committee: The KHMA shall have an Executive Committee composed of at least three (3) Trustees and shall consist of the following officer positions: President, Vice-President, Curator, Secretary and Treasurer. The Executive Committee shall be tasked to manage the day-to-day activities of the KHMA and may exercise the powers of the Board in the management of the business and affairs of KHMA as allowed under the Arkansas Nonprofit Corporation Act of 1993. It shall coordinate the management of fiscal matters, including a budget review and approval action prior to Board submission. At a minimum it shall meet quarterly and provide timely written minutes of all meetings to the Board. Any member of the Executive Committee shall attend the meeting telephonically as necessary to minimize cost to the KHMA and to accommodate other personal commitments. Minutes of the meetings will be taken by the Secretary as part of the official records of KHMA and report the same to the Board at each regular meeting of the Board. Other individuals, such as the Chairs of the Standing Committees, those charged with managing certain aspects of KHMA or the Museum, or Advisory Board Members may also be invited by the designated officers to attend the meetings upon giving at least one day's notice to the President and the Secretary.

Section 6.2. Standing Committees

- (a) Until changed by amendment of these Bylaws, the Standing Committees of the Board shall be as described in subparagraph (b) below. Except as otherwise provided for by these Bylaws, each Standing Committee shall consist of at least one (1) Trustee. The Standing Committees shall have its Chair and members appointed by the President from among the current members of KHMA in good standing, subject to the approval of the Board, to serve until the next Annual Meeting of the Board. A vacancy of the Chair or a member thus nominated and approved may be filled by the President at his or her discretion to serve until the next Annual Meeting of the Board. The Chair of each Standing Committee may from time-to-time as necessary and without approval of the Board appoint or replace as many additional members as necessary to accomplish the goals and responsibilities of the committee (as stated below) or additional goals, responsibilities or tasks as may be assigned to the

committee by the President periodically. The President shall be an ex-officio voting member of each Standing Committee. No Standing Committee shall have authority as to the following matters:

- (i) The submission to the members of any action requiring membership approval;
 - (ii) The filling of vacancies on the Board or any committee;
 - (iii) The fixing of compensation of Trustees for serving on the Board or any committee;
 - (iv) The amendment or repeal of these Bylaws or the adoption of new Bylaws; or the amendment or repeal of any resolution of the Board unless by its terms is specifically so amendable or subject to repeal by a Standing Committee.
- (b) KHMA shall have as Standing Committees an Accessioning Committee, Education Committee, Membership Services Committee, Facilities Committee, Publicity/Social Media Committee, Fund-raising Committee, Events Committee and Website/Technology Committee as follows:
- (i) The Accessioning Committee shall consist of at least two individuals - one (1) Trustee, and the Curator as Chair of the Committee. The Accessioning Committee shall make all decisions regarding the procurement, accessioning, deaccessioning or disposal of artifacts, documents and archives having a combined value of less than that specified in the Collections Management Policy (“threshold value”) in effect at the time of the decision. For any items, singularly or having a combined value in excess of the value specified in the Collections Management Policy in any given month, the Committee shall submit its recommendation regarding the proposed procurement, accessioning, deaccessioning, sale or disposal to the for Board approval.
 - (ii) The Education Committee shall consist of at least two individuals - one Trustee and the President, or his designee. The Education Committee shall research, plan and develop educational programs and services in support of the goals of the Museum. These should include, but are not limited to developing programs for online (web based) education resources for teachers related to STEM; exploring and developing programs for onsite learning at the museum and offsite locations such as schools; and collaborating with school districts, educators, and others to determine what programs are of interest and needed by the local and larger communities. The Education Committee will work with the Facilities Committee to develop short and long term planning for suitable facilities for onsite education.

- (iii) The Membership Services Committee shall consist of at least two (2) individuals - one (1) Trustee and the President, or his designee. The Membership Services Committee shall provide membership services in support of the goals of the Museum. This may include, but should not be limited to, periodic membership campaigns, assessment of membership needs, accurate accounting of member types, and member recognition.
- (iv) The Facilities Committee shall consist of at least two (2) individuals - one (1) Trustee and the President, or his designee. The Facilities Committee will review and make recommendations to the Executive Committee and the Board on all aspects of KMHA real estate, including grounds and buildings. Maintenance, improvement, and expansion shall be included. The Committee may make recommendations to the Executive Committee to approve expenditures for repairs, improvements and maintenance of any buildings and grounds having a combined cost of \$500.00 or less in any given month. For any repairs, improvements or maintenance costs having a combined cost in excess of \$500.00 in any given month the Executive Committee shall submit its recommendations to the Board for approval.
- (v) The Publicity/Social Media Committee shall consist of at least two (2) individuals - one (1) Trustee and the President, or his designee. The Publicity/Social Media Committee shall develop publications and coordinate production of publications (including electronic "social media") that promote KHMA's mission, objectives and goals, and communicate KHMA activities and announcements.
- (vi) The Fund-raising Committee shall consist of at least two (2) individuals - one (1) Trustee and the President, or his designee. With the exception of membership income, all fund-raising efforts, including grants and endowments and will be planned and managed by the Fund-raising Committee. Recommendations will be submitted to the Board on a biannual basis for approval. The President may call a Special Meeting of the Board to receive recommendations in situations demanding urgency.
- (vii) The Events Committee shall consist of at least two (2) individuals - one (1) Trustee and the President, or his designee. The Events Committee will coordinate and plan all KHMA events (whether planned for fund-raising or not) including the Annual Membership Meeting set forth in Section 3.6, as well participation in events sponsored by other organizations.
- (viii) The Website/Technology Committee shall consist of at least two (2) individuals - one (1) Trustee and the President, or his designee. The Website/Technology Committee shall develop and operate the KHMA

website, as well as make recommendations to the Board on all electronic communication methods and execution. The Committee will periodically assess the current and projected technical needs of KHMA, including media storage and backup systems, and provide recommendations to the Board at least annually.

Section 6.3. Special Committees.

The Board, by resolution adopted by a majority of the entire Board, may create Special Committees which shall have only the powers specifically delegated to them and shall in no case have powers which are not authorized for Standing Committees. The members of Special Committees shall be appointed by the President from among the Trustees, Board of Advisors, and members in good standing of KHMA, subject to the approval of the Board. The President, or his or her designee, and the Curator shall be ex-officio voting members of committees and may attend all meetings.

Section 6.4. President's Board of Advisors.

The President may appoint individuals with particular expertise or knowledge who can assist KHMA in accomplishing its goals and objectives which shall be known as the "President's Board of Advisors." The Advisors (hereinafter referred to collectively as "Advisors" and individually as "Advisor") shall be appointed by the President. The President, Trustees, Officers, and Committees may consult with an Advisor or Advisors, (with the President serving as liaison) and shall give the information provided by the Advisor(s) its due weight and consideration. Advisors have no voting rights other than those they may have if they are members of KHMA. Membership in KHMA is not required to be an Advisor, but shall be encouraged.

Section 6.5. Meetings.

Meetings of committees shall be held at such times and places as shall be fixed by the respective committee Chairs, or by vote of a majority of all of the members of the committee if the Chair is unable or unwilling to fix such a meeting. Notice shall be given by the Chair or Secretary to all members of the committee not fewer than three (3) business days before each meeting by email. Written minutes of the proceedings shall be kept at all committee meetings by either the Secretary, if in attendance, or a member of the committee selected by a majority of that committee in attendance, and shall be submitted at the next meeting of the Board. The activities of a committee shall be deemed to have been ratified after its minutes are presented to and accepted by the Board.

Section 6.6. Quorum.

Unless otherwise provided by resolution of the Board, a majority of all of the members of

a committee shall constitute a quorum for the transaction of business in accordance with authority granted under these Bylaws.

Section 6.7. Manner of Acting.

Any corporate action to be taken by a committee shall mean such action to be taken at a meeting of the committee. Any member of a committee may participate in a meeting by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at the meeting. Action by a committee shall be taken by majority vote at a meeting or without a meeting by unanimous written consent.

ARTICLE VII - CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS

Section 7.1. Execution of Contracts.

The Board, except as these Bylaws otherwise provide, may authorize any officer(s), agent(s) or employee(s), in the name of and on behalf of KHMA, to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances. However, unless so authorized by the Board or expressly authorized by these Bylaws, no officer, agent or employee shall have any power or authority to bind KHMA by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose.

Section 7.2. Loans.

No loans shall be made by KHMA to the Trustees or officers of the KHMA. Any Trustees who vote for or assent to the making of a loan to a Trustee or officer of KHMA, and any officer or officers participating in the making of such loan, shall be jointly and severally liable to the KHMA for the amount of such loan until repayment thereof in accordance with the provisions of the Arkansas Nonprofit Corporation Act of 1993. No monetary loans shall be contracted on behalf of KHMA unless specifically authorized by a resolution of the Board. Such authority may be general or confined to specific instances. Any loans made in violation of this Section shall be null and void, or payable on demand, at the option of KHMA.

Section 7.3. Checks, Drafts, etc.

All checks, drafts and other orders for the payment of money out of the funds of KHMA, all credit card receipts, and all notes or other evidences of indebtedness of KHMA shall be signed on behalf of KHMA in such manner as shall from time to time be determined by resolution of the Board.

Section 7.4. Deposits.

All funds of KHMA not otherwise employed shall be deposited from time to time to the credit of KHMA in such banks, trust companies or other depositories as the Board may select.

ARTICLE VIII - GENERAL

Section 8.1. Seal Not Required.

No corporate seal shall be required to validate any otherwise duly authorized transaction of KHMA.

Section 8.2. Books and Records.

There shall be kept at the principal office operated by KHMA (1) correct and complete books and records of account, (2) minutes of the proceedings of the members, the Board and its committees, (3) a current list of the members, Trustees and officers of KHMA and their residence addresses, (4) a copy of KHMA's Articles of Incorporation and (5) a copy of these Bylaws.

Section 8.3. Indemnification.

The Corporation shall, to the fullest extent now or hereafter permitted by law, indemnify, defend, and hold harmless, any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that he or she, his or her testator or intestate, was a director or officer of the Corporation, against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorneys' fees. No indemnification may be made to or on behalf of any such person if (a) his or her acts were committed in bad faith or were the result of his or her active and deliberate dishonesty and were material to such action or proceeding or (b) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

Section 8.4. Insurance.

KHMA shall not be obligated to purchase Trustees' and officers' liability insurance, but should applicable law permit, KHMA may purchase such insurance if authorized and approved by vote of a majority of the entire Board.

Section 8.5. Ethical Standards.

All actions of KHMA's Board and staff shall be such that they avoid an apparent as well as an actual conflict of interest with any aspect of KHMA's operation and its collection. KHMA has adopted the Code of Ethics written by the American Alliance of Museums, adopted in 1991 and

amended in 2000.

ARTICLE IX - GIFTS

Section 9.1. Acceptance of Gifts.

The Board may accept or reject on behalf of KHMA any gift, grant, bequest or devise for the general purposes or for any special purpose of KHMA. Unless the terms of a gift, grant, bequest or devise expressly provide otherwise, it shall be deemed irrevocable.

Section 9.2. Conditions and Limitations.

Any person who shall give, grant, bequeath or devise money to KHMA may make such gift subject to such conditions, limitations, specifications and provisions as to the use of the principal or income as he or she may see fit, and may specify such uses for the principal or the income as he or she may desire, provided such conditions, limitations, specifications and provisions are consistent with the general purposes of KHMA.

Section 9.3. Funds and Accounts.

All property received and accepted by KHMA shall become a part of KHMA's property and, subject to any limitations, conditions or legal requirements, may be commingled with other assets of KHMA. However, such property may be placed in any number of separate and distinct funds or accounts whenever the conditions, limitations, or instructions of the gift, grant, bequest, or devise require a separate fund or account or whenever the Board, in its judgment, determines that such property should be placed in a separate and distinct fund or account.

ARTICLE X - FISCAL YEAR

The fiscal year of KHMA shall commence on the first day of July of each calendar year and end on the last day of June.

ARTICLE XI - DIVIDENDS PROHIBITED

The KHMA shall not have or issue shares of stock, and no dividend shall be paid and no part of the income of the KHMA shall be distributed to the Trustees or officers of the Corporation.

ARTICLE XII - DISPOSAL OF PROPERTY

Section 12.1. Archival Records

The Board of Trustees may provide for the transfer of all KHMA official records and materials to a suitable archival institution or repository.

Section 12.2. Final Disposal of Assets

In the event of the dissolution of KHMA or any similar continuing organization duly authorized by the membership of KHMA, any money or property belonging to the said Corporation shall be given to a suitable nonprofit or educational institution, the donee to be voted by the membership of KHMA or its continuing organization.

ARTICLE XIII - RULES OF ORDER AND BYLAW CHANGES

Section 13.1. Rules of Order.

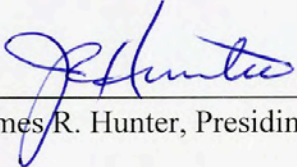
Meetings of the members, the Board and its committees shall be governed by Robert's Rules of Order Newly Revised, except in cases otherwise provided for by these Bylaws.

Section 13.2. Bylaw Changes.

These Bylaws may be amended or repealed by vote of a two-thirds (2/3) majority of the entire Board at any meeting thereof, provided that a full statement of the proposed change appears in the notice calling the meeting and that notice is given to each Trustee at least fourteen (14) days prior to the meeting.

Adoption of Bylaws

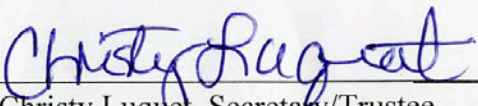
Adopted by the Board of Trustees by resolution and vote on the date below:



James R. Hunter, Presiding Trustee/President

Date: November 14, 2016

The adoption of the Bylaws was duly recorded in the official Minutes of the Corporation and made a part of the permanent records thereof on the date below:

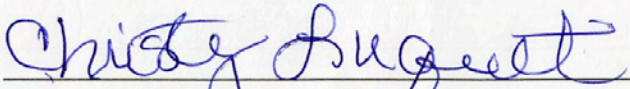


Christy Luquet, Secretary/Trustee

Date: November 14, 2016

CERTIFICATE

I, the undersigned, hereby state and certify that the foregoing is a true, correct and conformed copy of the Bylaws of the Klipsch Heritage Museum Association, Inc. duly adopted by the Board of Trustees of the corporation on the 14th Day of November, 2016, and that the same have not since been altered, modified, amended or repealed in any respect and remain in full force and effect on this date.



Christy Luquet, Secretary/Trustee