

Draft By-Laws of

LATIN AMERICAN FOLK INSTITUTE, INC. (LAFI)

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Article I

General Purposes of the Corporation

Section 1. The Latin American Folk Institute, is incorporated as a legal, non-profit entity, dedicated to public service, and of perpetual duration.

Section 2. The general purpose of this Corporation is to promote the development of Latin American arts and culture, contributing to the social and artistic development of artists and the community in general.

Section 3. To achieve its general purpose, the Corporation will pursue activities as stated in its Articles of Incorporation, and which include the following specific objectives:

- (a) To promote the dissemination, development and study of Latin American arts and culture.
- (b) To create programs for the teaching of Latin American music, arts and culture, especially for young children.
- (c) To assist other community-based organizations for the dissemination of Latin American arts and culture.

Article II

Assets and Income

Section 1. On behalf of its general purpose and objectives, and in a fashion authorized by its Board of Directors, the Corporation may sign contracts or agreements with other institutions, public or private, national or international. It may purchase, sell, mortgage, rent, or in any other form acquire or dispose of the assets at its disposal. The Corporation may also manage the assets of other entities that it has promoted, domestically or overseas, to further its purpose and objectives.

Section 2. The assets of the Corporation may consist of: (a) funds contributed at the moment of its incorporation; (b) donations; (c) inheritances and bequests; (d) endowments; (e) trusts; (f) shares of for-profit entities on public service corporations; (g) income generated by credit and marketing operations conducted with and for underprivileged communities; (h) income from services provided to other organizations of individuals, including consulting or management contracts, (i) income generated by the investment, rental, or sale of any property, shares, titles and (j) other tangible and nontangible assets that the Corporation possesses.

Section 3. The liabilities of the corporation consists of (a) capital investments from the date of founding of the Corporation by Marietta B. Ulacia and Carlos E. Giménez, or any other entity associated with those individuals (b) leases, debts and underwriting debts (c) loans obtained by Corporation.

Section 4. No acquisition or sale of Corporation property or assets exceeding \$25,000 will be conducted without the prior approval of the Executive Director.

Section 5. Unless otherwise instructed by the Board of Directors, the executive director of the Corporation is authorized to spend up to 50 percent of the total annual income of the Corporation for the financing of its administration and fundraising costs.

Section 5. The Corporation may receive, manage, and disburse funds on behalf of nonprofit entities that the Corporation has promoted and continues to supervise.

Article III

Offices

The principal office of the Corporation shall be 3800A 34th Street, Mount Rainier MD 20712, and may have offices at such other places within or without the Washington DC Metro area as the Board of Directors may from time to time appoint or as its business may require.

Article IV

Members

Section 1. Members: The Members of the Corporation shall consist of each of the persons who signed the Certificate of Incorporation and such other individuals as shall be elected to membership pursuant to these By-Laws. Each Member shall serve as a regular member of the Board of Directors until his or her membership is terminated by death, resignation, or removal as a Director as hereinafter provided.

Section 2. Election of Members: any individual shall become a Member of the Corporation by affirmative vote of a majority of those Members who are present at a regular meeting of the Corporation which the application of such proposed Member is received.

Section 3. Voting: Each Member shall be entitled to one vote on each matter submitted to a vote of the Members.

Section 4. Transfer of Membership: Membership in this Corporation is not transferable or assignable.

Section 5. Resignation and Removal of Members: Any Member may resign at any time by giving written notice to the Secretary of the Corporation or Board of Directors. Such resignation shall take effect at the date of receipt of such notice or at a later time specified therein and unless otherwise specified herein the acceptance of such resignation shall not be necessary to make in effective. Any Member can be removed from membership at any time by an affirmative vote of two-thirds of the members of the Board of Directors.

Article V

Meetings of Members

Section 1. Annual Meeting: The Annual Meeting of the Members of the Corporation shall be held each year upon ten days notice for the purpose of electing new Directors or re-electing existing Directors, and for the transaction of such other business as may come before the meeting, during the month of September of each year, or at such time as designated by the Executive Committee at the convenience of the Members, but such Annual Meeting must be held once a year.

Section 2. Place of Meeting: The Board of Directors may from time to time designate any place either within or without the Washington DC metro area as a place of meeting for any Annual Meeting or any Special Meeting.

Section 3. Special Meetings: Special meetings for any purpose may be called at any time by the Chair of the Board, Executive Director, the Board, or not less than thirty percent of the Members.

Section 4. Notice: Written notice stating the place, day, and hour of the annual Members' meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, to each Member of record entitled to vote at such a meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the corporation, with postage thereon prepaid.

Notice of any Members' meeting may be waived in writing by any member at any time, either before or after the meetings, and attendance at the meeting in person, by proxy, or participation in a telephonic meeting shall constitute a waiver of notice of the meeting.

Article VI

Board of Directors

Section 1. General Powers: The affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Election of the Board of Directors: The full slate of Directors shall be elected by the Members of the Corporation at the Annual Meeting of the Members, except that new Directors may be elected at any Regular or Special Meeting provided notice of interest is sent to all Members not later than the time of the call for the meeting. The Director shall be chosen by a majority of the votes cast, and a written vote shall be held upon the request of any one Member.

Section 3. Number. Tenure. Qualifications: The authorized number of non-Member Directors shall be no more than fifteen. Each Director shall be elected for a period of 1 year, and may be re-elected for as many terms as the Board desires.

Fully accredited LAFI Affiliate organizations in good standing and achieving performance standards defined by the Board of Directors in the Affiliate Agreement shall be entitled to nominate one of their non-employee Board members to serve as a non-member Director of Latin American Folk Institute, Inc.

Section 4. Responsibilities of the Board: The Board of Directors shall be responsible for:

- (a) Acting as the governing body of the Corporation.
- (b) Ensuring the compliance of the Corporation with all laws and regulations of the countries in which LAFI operates.
- (c) Approving strategic and long range plans.
- (d) Active and effective participation in the fundraising activities of the Corporation.
- (e) Reviewing and approving in or before the first month of the fiscal year the budget for that year.
- (f) Authorizing all non-budgeted transfers of money, checks, drafts, loans, endorsements, notes and other financial operations in excess of \$25,000.
- (g) Approval of all contracts or agreements involving more than \$25,000, unless specifically provided for in the budget, entered into by the Corporations and outside entities.
- (h) Approval of all contracts and agreements for new programs, expansion of existing programs or for other services in addition to lending, or agreements with new sources of funding, any of which are in excess of \$50,000.
- (i) To deliberate and decide upon the acceptance of conditioned donations, with the assurance that said donations would not compromise the objectives of the Corporation.

Section 5. Regular Meetings: The Board of Directors from time to time may provide by resolution for the holding of such Regular Meetings as it may determine upon and may fix the time and place thereof. The Board of Directors may provide by resolution the time and place for the holding of additional Regular Meetings of the Board without other notice than such resolution. There must be at least two Regular Meetings annually in addition to the one following the Annual Corporation Meeting.

Section 6. Special Meetings: Special Meetings of the Board of Directors may be called at the request of the Chair of the Board of Directors or three or more of the Directors. The person or persons authorized to call the special Meeting of the Board may fix any reasonable place, including by telephone as a place or method for such meeting.

Section 7. Notice: Notice of any Special Meeting shall be given at least ten days previously thereto by written notice delivered personally or sent by certified mail or Federal Express to each Director at his/her address as it appears on the records of the Corporation, with pre-paid postage thereon. If such notice is given via Federal Express the Federal Express is deemed delivered when delivered to the Federal Express Office. Any Director may waive notice of any meeting. Attendance or participation shall constitute a waiver except where he/she attends or participates for the express purpose of objecting to the transaction of any business because the meeting was not lawfully convened.

Section 8. Quorum: One-third of the Board of Directors shall constitute a quorum for the transaction of business of any meeting of the Board. In the absence of a quorum, the majority of those present may adjourn the meeting from time to time for a period not exceeding forty days in any one case.

Section 9. Vacancies: Whenever any vacancy shall occur in the Board of Directors by reason of death, resignation or other disability, such vacancy may be filled by the Board of Directors at a regular Meeting of the Board. Where a vacancy shall arise by reason of an increase in Directors, the Board of Directors at a properly called meeting shall fill the vacancy.

Section 10. Removal: Any member of the Board of Directors of the Corporation may be removed from the office by the Board of Directors at any Regular or Special Meeting by an affirmative vote of two-thirds of the members of the Board.

Section 11. Compensation: Directors shall not receive any stated compensation for their services as such, but by resolution of the Board may be reimbursed for certain expenses of Board participation.

Section 12. Executive Committee: The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate

and appoint an Executive Committee which shall consist of not less than three (3) Directors nor more than five (5). This committee shall be subject in all respects to the authority and discretion of the Board of Directors and between meetings of the Board the Executive Committee shall have and exercise the power and authority of the Board of Directors in the management of the Corporation.

Section 13. Other Committees: Other committees not having or exercising the authority of the Board of Directors in the management of the corporation may be designated by resolution and adopted by a majority of the Directors present at a meeting at which a quorum is present. Ad Hoc committees may be appointed by the Chair of the Board. Persons may be designated as committee members who are not members of the Corporation or its Board.

Article VII

Officers

Section 1. Officers: The officers of the Corporation shall consist of a Chair of the Board, an Executive Director, and one or more staff Directors, a Secretary, Treasurer, and such other officers as the Board of Directors may from time to time designate and elect. Officers of the Corporation shall receive such compensation as the Board of Directors shall by resolution determine.

Section 2. Election. Qualification and Terms of Office: Officers shall be elected at the first Annual Meeting of the Board of Directors held immediately after the Annual Meeting of the membership of the Corporation. Officers shall be elected by the Board of Directors. Vacancies may be filled or new offices created and filled at any meeting of the Board Directors. The Chair of the Board of Directors shall be elected from among the members of the Board of Directors for a period of three years and may be re-elected for additional one-year terms by an annual vote of a majority of members of the Board of Directors.

Section 3. Duties of Officers: The duties of the Officers of the Corporation shall be such as usually attached to such offices and in addition thereto such further duties as may be designated from time to time by the Board of Directors.

Section 4. Additional Officers: The Board of Directors may appoint other officers, committees as it may deem necessary, including one or more Assistant Secretaries, each of whom shall hold office for such period in these by-laws or as the Board of Directors or Committee may from time to time determine.

Section 5. Removal: The Executive Director, Staff Directors, Chair of the Board, Treasurer and Secretary may be removed at any time by an affirmative vote of two-thirds of the members of the Board present at a meeting of the Board, or by a majority of the full Board by mail vote.

Section 6. Resignation: Any officer may resign at any time by giving written notice to the Secretary of the Corporation or the Board of Directors. Such resignation shall take effect at date of receipt of such notice or at a later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7. Vacancies: Where any vacancy shall occur among the Officers of the Corporation, it shall be filled by the Board of Directors.

Section 8. The Powers and Duties of the Officers: The powers and duties of the Officers of the Corporation shall be as follows:

The Chair of the Board of Directors shall be presiding Officer of the Board of Directors and of the Corporation. S/He shall also be Chair of the Executive Committee.

The Chair of the Board of Directors shall be presiding Officer of the Board of Directors and of the Corporation. S/He shall also be Chair of the Executive Committee.

The basic functions of the Chair shall be:

- (a) Giving leadership to the Board of Directors and the Corporation;
- (b) Calling Special Meetings of the Board of Directors and of the Corporation;
- (c) Appointing Ad Hoc committees of the Board of Directors and of the Corporation;
- (d) Filling vacancies of unexpired terms of office on committees of the Board of Directors and of the Corporation.

The Executive Director shall be the Chief Executive and Administrative Officer of the Corporation and a voting member of the Board of Directors and of the Executive Committee. S/He shall also, at an annual Meeting of the Corporation and at such other times as s/he shall

deem proper, communicate to the members of the Board of Directors such matters and make such recommendations as may in his/her opinion, tend to promote the welfare and usefulness of the Corporation and shall perform such other duties as are necessarily incident to the office of the Executive Director of the Corporation, including the overall general management of the Corporation and the Corporation's staff to the Board of Directors or to the Executive Committee.

The basic functions of the Executive Director shall be:

- (a) Giving leadership to the organization and operation of the Corporation's office, developing both short and long-range objectives, plans and policies for approval of the Board of Directors and/or the Executive Committee, and implementing and maintaining approved policies;
- (b) Selecting professional staff members and appraising their performance;
- (c) Representing the Corporation in coordinating its efforts with other national and international associations or agencies regarding the scope of joint undertakings, public relations, fundraising and operations;
- (d) Maintaining effective relationships between the Corporation and governmental, professional and related lay groups.

The Executive Director shall also be responsible for the timely formulation of the budget for the operation of the Corporation and shall consult with the treasurer with respect thereto. S/He shall have control of the Corporation's expenditures within the approved budget.

The Secretary shall be the custodian of all records and documents of the Corporation, and of the seal of the Corporation, and s/he shall affix such seal to all instruments when authorized or directed so to do by the Board of Directors. It shall be his/her duty to give notice of all Board meetings, and to attend all meetings of the Corporation, the Board of Directors and all committees, and to keep minutes of such meetings, and in general, perform all other duties incident to the office of the Secretary, or which may be assigned to him/her from time to time by the Board of Directors. The Secretary may delegate all or any part of his/her duties to one or more Assistant Secretaries of the Corporation.

The Treasurer shall have general supervision and charge of the books and records of the account of the Corporation and of the records of the receipts and disbursements of the Corporation therein. S/He shall be custodian of all property of the Corporation and, in general, shall perform all other duties incident to the office of the Treasurer. The duties of the Treasurer may be delegated by the Treasurer to such extent as the Board of Directors or the Finance Committee may approve, to one or more Assistant Treasurers.

Assistant Secretaries: At the request of the Secretary or in his/her absence or disability, an Assistant Secretary shall perform all duties of the Secretary, and when so acting shall have all the powers of, and be subject to all restrictions upon the Secretary. They shall perform such other duties as may be assigned to them.

Assistant Treasurers: If requested by the Board of Directors, Assistant Treasurers shall give bonds for faithful discharge of their duties in such sum and with such surety as the Board of Directors may determine. The cost of such bond shall be borne by the Corporation. The Assistant Treasurers, in general, shall perform such duties as shall be assigned to them.

Article VIII

Contracts, Checks, Deposits and Funds

Section 1. Contracts: The Board of Directors may authorize any officer or agent to enter into any contract on behalf of the Corporation.

Section 2. Checks, Drafts, etc.: All checks, drafts, endorsements, notes and evidences of indebtedness of the Corporation shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as the Board of Directors from time to time may determine.

Section 3. Deposits: All funds of the Corporation shall be deposited to the credit of the Corporation in such federally insured banks, trusts, companies, or other depositories as the Board may select.

Section 4. Gifts: Subject to Article IV, Section 4(i) the Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or device for the general purpose of or any specific purpose of the Corporation, including gifts received on behalf of overseas foundations assisted by the Corporation or associations.

Article IX

Indemnification

Subject to conditions and qualifications set forth in the Business Corporation Law of the District of Columbia, the Corporation may indemnify any person made a party to an action by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that s/he, his/her testator of intestate, is or was a director, officer, employee, or agent of the Corporation, against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him/her in connection with the defense of the action, or in connection with an appeal therein, except in relation to matters as to which the director, officer, employee or agent is adjudged to have breached his/her duty to the Corporation, as this duty is defined in Section 717 or Section 715 (h) of the Business Corporation Law. The Corporation may also indemnify any person made, or threatened to be made, party to an action or proceeding other than by or in the right of the Corporation to procure a judgment in its favor, whether civil or criminal, including an action by or in the right of any other corporation, domestic or foreign, which s/he served in any capacity at the request of the Corporation by reason of the fact that s/he, his/her testator or intestate was a director, officer, employee or agent of the Corporation or served it in any capacity against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorney's fees actually and necessarily incurred as a result of the action or proceeding, or any appeal in the action or proceeding, if the director, officer, employee or agent acted in good faith for a purpose which s/he reasonably believed to be in the best interests of the Corporation and in, criminal actions or proceedings, in addition, had no reasonable cause to believe that his/her conduct was unlawful.

The Corporation will indemnify to the best of its ability the capital investment incurred by Director Marietta B. Ulacia and Director Carlos E. Giménez, and any company or entity associated with these individuals, since the founding of the Corporation. This capital investment is reflected in the books as liabilities of the corporation, and is subjected to the following conditions:

No sale or liquidation of any asset of the Corporation shall be done without indemnifying first all capital investments made by Marietta B. Ulacia and Carlos E. Giménez (or any company or entity associated with them) since the founding of the Corporation.

The Corporation will, in the best of its abilities, develop a monthly payment plan to indemnify this liability as soon as possible.

In case of termination of either of any of these two individuals, the Corporation shall indemnify the liability and capital investments made by any of these two individuals up to the time of termination.

Article X

Books and Records

The Corporation shall keep correct and complete books and records of account and minutes of the proceedings of the meetings of its members of its Board of Directors. It shall also keep a record of its members' names and addresses that is available for inspection by its members at its principal office. All books and records of the Corporation may be inspected by any member of the Board of Directors or his/her agent or attorney for any proper purpose at any reasonable time. However, said books and records of account will be permanently located in the central office of the Corporation. Under no circumstances will these records be loaned to third parties (including accountants and auditors) for their use and inspection outside the premises of the Corporation.

Article XI

Fiscal Year

The fiscal year of the Corporation shall begin on the 1st day of January and ends on the 31st day of December of each year.

Article XII

Dues

No dues shall be paid by members of the Corporation.

Article XIII

Audit of Accounts

On an as-needed basis and as directed by the Board of Directors, the financial transactions of the Corporation shall be audited by independent auditors and a report of the audit shall be made to the Audit Committee of the Board and the Board of Directors.

Article XIV

Amendments

These By-Laws may be amended, altered or repealed by a two-thirds vote of the Members of the Corporation or of the Board at any properly called meeting provided written notice of the proposed changes shall have been served personally upon, or mailed to the last known post office address of each Member or Director of the Corporation, as the case may be, eight (8) days prior to the date of the meeting, except as amendment may be required otherwise by the laws of the District of Columbia as heretofore or hereafter enacted.

Article XV

Professional Appointments, Compensation and Termination of Contract

Any appointments at the staff Director level of employees or above, or changes in the salary of present employees on a staff Director level or above not provided for in the current budget for each year, will require prior approval of the Board of Directors. Approval of the Board of Directors shall be required for the hiring or termination of a contract of a staff Director level employee or above.