

BY-LAWS OF APPALSHOP, INC.

91 Madison Avenue

Whitesburg, Kentucky 41858

Latest amendments: February 2010; December 11, 2012; July 7, 2017; April 10, 2018, **December 8, 2020**

OBJECTIVES: The objectives of the corporation are to aid in the education of the general public, especially the communities and people of the Appalachian region, by providing training in, production of, and exposure to educational media and the arts, especially film, video making, music, theater, creative writing, and broadcasting. Objectives also include applying for, owning and operating non-commercial educational AM, FM, short-wave radio and television stations, operating an educational fund, and performing public services. Further these services include the creation, sponsorship and broadcast of exclusively educational material and programs including, without limiting the general nature of these purposes: materials of an artistic, civic, cultural, entertainment, instructional, and scientific nature.

ARTICLE I

NAME AND PRINCIPAL OFFICE

1. **NAME:** The name of the corporation shall be APPALSHOP, INCORPORATED (hereinafter referred to as the Corporation).
2. **PRINCIPAL OFFICE:** The principal office of the Corporation shall be in Whitesburg, Letcher County, Kentucky, or any other place in Kentucky designated by the Board of Directors.

ARTICLE II

SEAL AND FISCAL YEAR

1. **SEAL:** The Corporation will not use a common seal. The signature of the name of the Corporation by a duly authorized officer shall be legal and binding.
2. **FISCAL YEAR:** The fiscal year of the Corporation shall be October 1 to September 30.

ARTICLE III

DIRECTORS

1. **NUMBER:** The business and affairs of the Corporation shall be managed by a Board of Directors, herein called the "Board" consisting of nine (9) members. The Board shall elect five (5) Appalshop staff persons and four (4) non-Appalshop staff persons to the Board.
2. **QUALIFICATIONS AND TERMS:** The Directors named in the Articles of Incorporation shall, before the first annual meeting of the Corporation, designate, in a manner to be determined by them, the directors, to serve for an indefinite term. Thereafter, all members shall be elected for fixed terms as identified in Article III(3).
3. **ELECTION AND TERM:** Nominations for membership to the Board shall be made by the Board at least one day prior to Board meeting. All Directors shall be elected by two thirds (2/3) of a quorum of directors at the annual meeting to serve for a term of two (2) years or until their successors shall have been elected and shall qualify for said office. Directors may succeed themselves.

4. VACANCIES: Vacancies among the Directors shall be filled by vote of two thirds (2/3) of a quorum of directors at regular or special meetings.
5. REMOVAL: Directors may be removed from office at any time with or without cause by the Board of the Corporation. A motion for removal shall be made by any Board member. Motion for removal shall take place at any regular or special meeting. Directors shall be removed by a vote of two thirds (2/3) of the quorum present at the next regular or special meeting of the Board.
6. COMPENSATION: Directors shall not receive a salary or other compensation for their services as directors, except as specifically authorized by the Board. A director may serve the Corporation in a capacity other than that of director and receive compensation for the services rendered in that other capacity.

ARTICLE IV
MEETING OF THE BOARD OF DIRECTORS

1. REGULAR MEETINGS: The Board shall hold quarterly meetings on dates fixed by the Directors from time to time. The annual meeting shall be the second quarterly meeting of the calendar year (June-July).
2. SPECIAL MEETINGS: Special meetings of the Board may be held when there are pressing matters before the Board and may be called by the Board Chair or a majority (five or more members) of the Board.
3. NOTICE: Notice of regular or special meetings of the Board shall be given in oral or written form to each Director not less than one (1) day before each meeting. Except as otherwise provided in these By-Laws, neither the business to be transacted nor the purpose of any regular or special meeting of the Board needs to be specified in the notice or waiver of notice of such meeting.
4. PLACE OF MEETING: Meetings of the Board may be held at any place in Letcher County, Kentucky, or surrounding counties, which is set forth in the notice thereof. If a notice fails to specify a place at which the meeting will be held, it shall be held at the principal office of the Corporation.
5. QUORUM: Two thirds (2/3) or more of the Directors then holding office shall constitute a quorum for the transaction of any business at any meeting of the Board. A member who participates in a meeting through a telecommunications device that allows the member to hear and be heard shall be considered to be present for the purpose of determining a quorum.
6. MANNER OF ACTING: Except as otherwise provided in these By-Laws, or by law, the act of two thirds (2/3) vote of the Directors present and voting at the meeting at which a quorum is present shall be considered the act of the Board. An abstention shall be considered a refusal to cast a vote and shall have no effect on the vote.
7. WAIVER OF NOTICE: A Director may waive in writing notice of any meeting of the Board either before or after the meeting, and his waiver shall be deemed the equivalent of giving notice. Attendance of a Director at a meeting shall constitute waiver of notice of that meeting unless they

attend for the express purpose of objecting to the transaction of business because the meeting has not been lawfully called or convened.

8. **ADJOURNMENTS:** If at any meeting of the Directors, a quorum shall fail to attend, a majority of the Directors present at said meeting may adjourn the meeting from time to time, without further notice, until a quorum shall attend, and thereupon, any business may be transacted which might have been transacted had the meeting been held at the time originally called.
9. **ORGANIZATION:** The Chairperson, and in their absence the Vice-Chairperson, and in their absence any person appointed by the Directors present, shall act as Chairperson at all meetings of the Board. In the absence of the Secretary, the Directors present may appoint a Secretary of the meeting.
10. **VOTING:** Each Director shall be entitled to one (1) vote, which shall be cast in person, and no voting by proxy shall be permitted. A member who participates in a meeting through a telecommunications device that allows the member to hear and be heard shall be considered to be present in person.
11. **MINUTES OF THE MEETING:** At each regular meeting, the minutes of the previous regular meeting and all subsequent meetings since the last regularly scheduled meeting shall be approved by the Board.

ARTICLE V **OFFICERS AND THEIR ELECTION**

1. **GENERAL:** The officers of the Corporation shall be a Chairperson, a Vice-Chairperson, a Secretary, a Treasurer, and such additional officers as the Board may deem necessary. All officers shall be members of the Board.
2. **ELECTION AND TERM:** All officers of the Corporation shall be elected by two thirds (2/3) of a quorum of directors at each annual meeting to serve for a term of two (2) years or until their successors shall have been elected and shall qualify for said office. Officers may succeed themselves.
3. **VACANCIES:** Vacancies among the officers shall be filled by vote of a two thirds (2/3) of a quorum of directors at regular or special meetings.
4. **CHAIRPERSON:** The Chairperson shall preside at all meetings of the Board. They shall sign, alone or with any proper officer, such instruments as may be lawfully executed on behalf of the Corporation except where the signing and execution thereof shall be delegated by the Board to some other officer or agent, and, in general, they shall perform all duties incident to the position of Chairperson and other duties as may be prescribed by the Board from time to time.
5. **VICE-CHAIRPERSON:** The Vice-Chairperson shall exercise the powers of the Chairperson during that officer's absence or inability to act. The Vice-Chairperson shall have such other powers and perform such other duties as may be assigned to them by the Board from time to time.

6. SECRETARY: The Secretary shall attend, record, and keep the minutes of all meetings of the Board. In addition, they shall have general charge of the Corporation's records and books and shall sign such instruments as may require their signature. The Secretary shall deliver all records to their successor within one (1) week after their successor shall be elected and qualify for said office.
7. TREASURER: The Treasurer shall be the custodian of the property records and other records of the Corporation which are not designated to be kept by others, including, but not by way of limitation any trust agreements of which the Corporation may be beneficiary. They shall establish and maintain an adequate system of accounts and records which assure a full accounting for all monies and properties of the Corporation, which accounts the Board may have audited by persons of its choice at any time. They shall render financial reports and furnish reports of the Corporation to the Board whenever they are required to do so by the Board. They shall render a written statement of all receipts, expenditures, assets and liabilities, including those securities and properties held under the abovementioned or other agency agreements, yearly to the Board. The Treasurer may delegate some or all accounting and reporting duties to appropriate corporation staff persons. The Treasurer shall deliver old records to their successor within one (1) week after their successor shall be elected and qualify for said office.

ARTICLE VI
COMMITTEES OF THE BOARD OF DIRECTORS

1. The Board shall appoint such committees as it deems necessary and designate the duties of such committees. Committees may make recommendations to the Board as deemed necessary, but only the Board may act on behalf of the Corporation. Persons who are not members of the Board may serve on committees.

ARTICLE VII
GENERAL PROVISIONS

STAFF: The Board shall appoint, fix the salaries of, and define the duties of key administrative staff and division Project Directors. As of Jan 1, 2018, these positions are identified as: Appalshop Executive Director; Development Director; Communications Director; Financial Administrator; and Directors of Roadside Theater, WMMT, Appalachian Media Institute, Archive, and the Film Union (if/when fulltime positions). Project Directors shall appoint, fix the salaries of, and define the duties of other Project staff within the confines of Appalshop personnel policy. Any staff members, if duly elected, may serve as Directors of the Corporation. The Board shall have the right to dismiss any staff person by a two thirds (2/3) vote of its members at any regular or specially called meeting of the Board at which a quorum is present.

CHECKS, DRAFTS, AND NOTES: Checks, drafts and other orders for the payment of money and notes, shall be signed by such of the officers and such other persons as the Board or these By-Laws may, from time to time, direct.

AMENDMENTS: These By-Laws may be amended or repealed and new By-Laws adopted by the affirmative vote of a three fourths (3/4) vote of a quorum of the Board at any regular or special meeting of

the Board, provided that written notice of the proposed action shall have been included in the notice of the meeting or shall have been waived as provided in the By-Laws.

ARTICLE VIII
ENDOWMENT FUND

Revision adopted by the Appalshop Board on June 16, 2020.

The Appalshop Endowment Trust was created by a resolution of the Board of Directors of Appalshop, Inc. on December 20, 1989 and is governed by a legal agreement, the Appalshop Trust, originally established in January 1990 and updated/amended September 23/November 2, 2013. According to the terms of the agreement, three trustees chosen by the Appalshop Board of Directors for three-year terms manage the principal and income of the Trust. The trustees make payments or distributions from the income as requested by the Appalshop Board of Directors.

Policies and procedures for distributing income from the Appalshop Trust:

1. Purpose

Only the earnings returned from the Appalshop Trust, and not the principal itself, will be used by Appalshop to empower Appalshop to actively carry out its mission as a community arts organization.

2. Description of Funds to be Distributed

Earnings from the investment of the Appalshop Trust in the form of interest income, dividends, and capital gains will be made available to Appalshop on an annual basis at the start of each fiscal year. The Trustees and the Appalshop Board will determine the exact amount to be distributed each year, including the exact amount of funding from the William Randolph Hearst Fund for Educational Projects held within the Trust. Two thirds of that amount will be designated for fixed allocation to various programs of Appalshop at the start of each fiscal year; the remaining third will constitute the Appal Seed Fund, to be allocated halfway through each fiscal year.

3. Distribution Authority

Authority for distributing income from the Appalshop Trust will rest with the Board, which will distribute income according to the following procedure:

1. Fixed allocations, totaling two thirds of the annual Trust disbursement, will be distributed to various programs of Appalshop at the start of each fiscal year, according to a formula to be adopted by the Board and reviewed annually, prior to the start of each fiscal year. These fixed allocations are intended to support and develop work within all active Appalshop programs.
2. The Appal Seed Fund, consisting of the final third of the annual Trust disbursement, will be distributed by the Board halfway through each fiscal year. Prior to this disbursement each year, a Board-appointed Team will meet and make a recommendation to the Board for how to allocate the Appal Seed Fund, according to clear and transparent criteria adopted by the

Board and reviewed annually, prior to each meeting of the Team. This fund is intended to support new, creative, experimental, and strategic projects beyond the scope of other funds.

For designated funds: Interest income from the designated funds created within the Appalshop Trust must be expended by the beneficiary projects only for the purposes stated when the designated fund was created by the Appalshop Board. Any change in the purpose must be made by 2/3 vote of the Board at regularly scheduled or specially called meetings at which a quorum is present.

The Board's funding decisions will be final. No project money can be spent without budget approval of the Financial Committee. All recipients of Appalshop Trust monies must report to the Board annually on how these funds were spent and what activity took place or work was created as a result.

The Appalshop Board will annually review the policies and procedures for distributing earnings from the Appalshop Trust.