

BY-LAWS

OF

KERRVILLE FOLK FESTIVAL FOUNDATION, INC.

The undersigned majority of the Directors of the Kerrville Folk Festival Foundation, Inc. (the "Foundation" or the "Corporation"), organized under the Texas Non-Profit Corporation Act and governed by the Texas Business Organization Code, do hereby, on behalf of the Corporation, adopt the following amended By-Laws for the Corporation:

ARTICLE I: OFFICES

1.1. REGISTERED OFFICE AND AGENT

The registered office of the Corporation shall be maintained at Quiet Valley Ranch, 3876 Medina Highway, Kerrville, Texas 78028 in the State of Texas. The registered agent is the current Chair of the Board of Directors. The registered office or the registered agent, or both, may be changed by resolution of the Board of Directors, upon filing the statement required by law.

1.2. PRINCIPAL OFFICE

The principal office of the Corporation shall be at Quiet Valley Ranch, 3876 Medina Highway, Kerrville, Texas 78028, provided that the Board of Directors shall have power to change the location of the principal office in its discretion.

1.3. OTHER OFFICES

The Corporation may also maintain other offices at such places within or without the State of Texas as the Board of Directors may from time to time appoint or as the business of the Corporation may require.

ARTICLE II: PURPOSES

The Corporation is organized for the purposes of educating the public about the benefits and characteristics of folk music.

ARTICLE III: TAX EXEMPTION

3.1. TAX EXEMPT STATUS

The Corporation is a nonprofit corporation. When it dissolves, all of its assets will be distributed to the State of Texas or an organization exempt from taxes under Internal Revenue Code Section 501(c)(3) for one or more purposes exempt under the Texas franchise tax.

No part of the net earnings of the Corporation shall inure to the benefit of any Director of the Corporation, officer of the Corporation, or any private individual. No Director or officer of the Corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation. Notwithstanding any of the other provisions of this By-Law, the Corporation shall not carry on any of the activities not permitted to be carried on by a corporation exempt from Federal Income Tax under Section 501 (c)(3) of the Internal Revenue Code of 1954.

Upon dissolution of the Corporation, the Directors shall, after paying or making provisions for payment of all liabilities of the Corporation, dispose of all assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized exclusively for charitable, educational, religious, scientific purposes as shall at the same time qualify as an exempt organization or organizations under Section 501(c)(3)

of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Directors shall determine.

Any such assets not so disposed shall be disposed of by the district court or the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as such Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE IV: MEMBERS

4.1. GENERAL

Any individual who is 18 years of age or older is eligible for membership in the Foundation.

Management of the Corporation is not vested in the members. The Corporation shall be managed by the Board of Directors save that the matters set out in By-Law 4.10 shall be subject to the vote of the members in accordance with that By-Law.

4.2. MEMBERSHIP FEES

Subject to the remainder of this By-Law 4.2, the initial membership fee shall be \$100.00 (or such higher amount as may be determined by vote of the members in accordance with these By-Laws) with annual fees thereafter being \$75.00 (or such higher amount as may be determined by vote of the members in accordance with these By-Laws).

If the payment of the annual fee for renewal of a membership is not made in full in a timely manner as required by By-Law 4.3, the defaulting member shall, in order to reinstate his membership, be required to pay a fee equal to the initial membership fee applicable at the date of payment.

Notwithstanding the first two paragraphs of this By-Law 4.2, the Board may in its sole discretion resolve: (i) to grant to any volunteer a membership for payment of 50 percent of the initial membership fee; and/or (ii) to reduce by 50 percent the annual fees next due in respect of the membership of any volunteer. A "volunteer" for the purposes of this By-Law 4.2 is an individual who has worked for at least 40 hours within the existing or previous calendar year: at Kerrville Folk Festival; at Festival work weekends; or at other Board-approved Foundation activities, and who has applied to the Board for consideration for a hardship membership on the basis that payment of initial or annual dues at the full rate would cause him or her a financial hardship.

Notwithstanding the first two paragraphs of this By-Law 4.2, the Board may, by vote of at least two-thirds of the members of the Board on a secret ballot, award, without any initial or annual fee being payable in respect of such membership, an honorary membership to any person (to a maximum of two recipients in any calendar year), who the Board believes has provided an extraordinary positive contribution to the Kerrville Folk Festival or to the Foundation (whether by financial contribution or otherwise).

Any member may contribute more than the membership fee, but no member may hold more than one membership, whether within any class or across more than one class. Any person is entitled to purchase membership as a gift for any other person eligible for membership.

4.3. MEMBERSHIP DATES

A person may join the Foundation at any time during the year and membership is valid for one (1) year from date of payment of dues. Annual membership dues for any membership year are due by close of business one year from the prior date of payment of dues ("join date"). The Executive Director is authorized to accept monthly payments of dues using automatic direct account debit or credit card payments and may assess any necessary fees equal to the cost of processing monthly or annual payments. Manual (not automatic debit or credit card payment) monthly payments by mail, in person, or otherwise shall not be accepted. Members making monthly payments are entitled to full membership benefits and rights except as described in By Law 4.5 (Voting Rights). Upon full or partial payment, the new membership shall be effective immediately.

Members whose annual or monthly payments lapse shall have 30 days from the due date to renew or make payment. Membership rights and privileges are suspended during this period. At the end of the 30 day period the membership shall expire and the individual must renew as a new member. The Executive Director may allow a lapsed membership to renew beyond 30 days at his or her discretion.

Notwithstanding the above, honorary memberships granted in accordance with these By-Laws shall run for the lifetime of the member, save that, by vote of at least two-thirds of the members of the Board, any honorary membership may be revoked at any time.

4.4. MEMBERSHIP CLASSES

The Foundation shall have such additional classes of members, at such fee levels and with such benefits, as may be resolved by a vote of at least two-thirds of the Board, save that no class of members shall be created in which a member of any class is entitled to more than one vote in respect of his membership.

4.5. VOTING RIGHTS

Subject to the remainder of this By-Law 4.5, each member is entitled to one vote per matter presented to the membership.

To be eligible to vote, a member's dues must be paid in full, or for members making monthly payments, the member must have paid at least 3 consecutive monthly payments and be current on payments at least 24 hours prior to the date of a membership vote.

4.6. MEETINGS OF THE MEMBERS

An annual meeting of the members ("May/June Annual Meeting") shall be held no earlier than May 15 and no later than June 15 in each calendar year for the purpose of electing members of the Board of Directors and for the transaction of such other business requiring the vote of the members, pursuant to these By-Laws, as may be set out in the notice of meeting or otherwise validly raised for consideration. The date and time of the annual meeting shall be designated by the Board.

The Chair of the Board or, in his or her absence, the Vice Chair, or if both are absent any member of the Board may be nominated by the Chair of the Board to preside at the annual meeting of the members.

4.7. PLACE OF MEETING

The May/June Annual Meeting of the Membership and Board of Directors shall be held at such place, within or without the State of Texas, as shall be specified in the notice of the meeting. The place of the annual meeting shall be designated by the Board, and whenever reasonably practicable shall be at the Kerrville Folk Festival.

4.8. NOTICE OF MEETING

The Corporation shall not be required to give such statutory notice of annual meeting as would otherwise be required by the Texas Business Organizations Code.

Notice of the date, place, and time of the annual meeting shall be given to all members not less than 30 days prior to the annual meeting. Notice shall be given through publication on the Foundation website and email. The Secretary may in its sole discretion alternatively or additionally determine, in the case of particular members or members generally, that notice shall be sent via U.S. Mail or given by personal delivery. Failure by a member to provide a valid email address shall constitute a waiver of notice of such meeting by that member.

4.9. RECORD DATES

In order that the Corporation may determine which members are entitled to notice of the May/June Annual Meeting at which members are entitled to vote, the Board shall provide notice no later than April 20 ("Record Date") of each year to such members whose annual membership fee are paid on or before April 15th.

If a member meeting is postponed or adjourned, the record date in respect of that meeting shall not be changed unless the Board so determines.

4.10. RESERVED MATTERS AND MANNER OF ACTING

The approval of the members shall be required for the following matters in relation to the Corporation (unless otherwise provided by law, the approval of the members shall be attained by simple majority, in the case of (a) and (b), and by two-thirds' majority, in the case of (c), in each case by reference to the members present in person and eligible to vote at the relevant member meeting, which must be quorate):

(a) the election of Directors in accordance with these By-Laws or the making of any amendment to these By-Laws in respect of the manner, method, timing, selection or otherwise relating to the election of Board members;

(b) the making of any amendment to these By-Laws in respect of membership fees, membership eligibility or membership dates; and

(c) such matters as may require the approval of the shareholders as a matter of law (comprising, for reference purposes only, at the date of adoption of these By-Laws: the amendment of the certificate of formation of the Corporation; the voluntary winding-up of the Corporation under Chapter 11; the revocation of a decision as to the voluntary winding-up of the Corporation; the cancellation of certain events requiring winding-up; the reinstatement of the Corporation, having been terminated; the adoption of a distribution plan; the adoption of a plan of merger; the sale of substantially all assets of the Corporation; the adoption of a plan of conversion; and the adoption of a plan of exchange).

Voting shall be in person. Proxies shall not be allowed. Voting shall be conducted by a paper ballot save that, if there is only one nominee for any Director's position, the vote may (at the option of the Chair of the meeting) be taken by voice. The Chair may in his discretion appoint a committee to count ballots and to determine the validity of the same.

4.11. QUORUM

The greater of (a) one-tenth (10%) of the members entitled to vote at any meeting, and (b) 20 members, shall constitute a quorum at such meeting. In the absence of a quorum at any meeting the meeting shall be adjourned for such period as the Board may determine, or cancelled at the discretion of the Board, and the Board may appoint any Directors nominated for election at the relevant meeting.

ARTICLE V: DIRECTORS

5.1. BOARD OF DIRECTORS

The Board of Directors is responsible for carrying out the mission of the Kerrville Folk Festival Foundation including developing organizational goals, attaining and allocating resources, and establishing policies to be enforced within the organization. Directors need not be residents of the State of Texas. Directors must be of legal age and without felony conviction for financial mismanagement.

5.2. NUMBER OF DIRECTORS

The number of Directors shall be a minimum of nine, with no maximum number. No decrease in the number of Directors required by the Corporation shall have the effect of shortening the term of any incumbent Director. Should the number of Directors ever be less than nine the Board may continue to act for a period not greater than one hundred and twenty days. The Executive Director is not counted as a member of the Board of Directors.

5.3. TERMS AND SELECTION

Each Director shall be elected for a term of three years, unless he/she is elected to fill an unexpired three-year term, in which case he/she shall serve the remainder of that term.

No Director who has served for: (a) three consecutive three-year terms; or (b) two consecutive three-year terms and any other consecutive period, shall be eligible for election for at least one year, save that any Director temporarily appointed by the Board pursuant to By-Law 5.5 shall be eligible for election if he/she would otherwise be eligible if it were not for the provisions of this paragraph.

Subject to By-Law 4.11 and By-Law 5.5, each Director shall be elected by a majority vote of members present and eligible to vote at the May/June Annual meeting of members. Nominees shall be elected at large and not by individual seat. Members shall cast ballots for nominees equal to the number of vacant Director positions. Any ballot containing votes for more nominees than vacant seats shall be void and not counted. The nominees shall be ranked according to the number of votes received and placed in vacant seats according to that ranking. If one or more of the vacant seats are for a vacated seat with an incomplete term, the successful nominees shall draw lots to determine placement into the vacated seat(s) with an incomplete term. Subject to By-Law 4.7, the term of each Director elected at any annual meeting of the members held during the Kerrville Folk Festival shall become effective on the first calendar day after the then current Kerrville Folk Festival ends (commonly known as “Day 19” at the Festival).

The Nominating Committee shall be selected by the Board on or before January 1 in each calendar year. The Nominating Committee shall comprise 5 persons chosen from among the members of the Foundation, plus a Chair. The Chair of the Nominating Committee shall be a member of the Board whose term is not expiring that year. No person serving on the Nominating Committee shall be nominated for a Board position.

The Nominating Committee shall send out communication to the membership stating that the floor is open for nominations and will include the required time for submission of no less than 30 days. They shall make clear that this is the only time in which nominations may be accepted. Any member who would be eligible to vote may make nominations. A nominee may not self-nominate.

Immediately following the nomination period, the Nomination Committee will provide an application, instructions, and deadline date of no less than 30 days later, by e-mail, and other methods as appropriate to all eligible individuals who have been nominated. It will be the responsibility of the Nomination Committee to take all reasonable steps to ensure nominees receive the applications and are advised of the procedure to be eligible for the election with ample time to complete their application.

The nominee must complete and sign an application indicating they have reviewed the By-Laws and the other duties and responsibilities of Board members and that they are willing to serve as Board members and fulfill those duties and responsibilities. The Board may include on the application requests for other information about the nominee such as the basis for their interest in serving, special skills, or other information that may be of interest to the Board or membership.

The Nominating Committee shall review all applications submitted within the time frame provided and, after consultation with the executive committee of the Board (or its representatives), propose a nomination for each vacant position on the Board. Only those individuals who were nominated by a qualifying member of the Foundation and completed their application in full within the time period provided may be considered. Prior to proposing a name for consideration, the Nominating Committee shall identify the expertise needed for each vacancy, and determine the willingness of the nominee to serve if elected.

The Nominating Committee shall distribute the full list of eligible nominees to the members by publication on the Foundation website and by email (and/or, as the Secretary may determine, by U.S. mail or personal delivery) no later than 45 days prior to the Annual Membership Meeting of the relevant year. Within this message, the Nominating Committee shall state their official recommendations along with the reasons why these individuals were selected. Along with the list of nominees, the membership shall also receive (by e-mail or other electronic means) copies of the nominees applications. The Board may redact personal information from the application such as home address, phone number(s), e-mail address, etc. as the Board deems appropriate.

During the Annual Membership Meeting following this nomination period, all eligible nominees who completed an application within the set dates and still wish to be considered in the vote will appear on the ballot, to be voted upon by the guidelines set within this section.

5.4 REMOVAL AND RESIGNATION OF DIRECTORS

A Director may resign by notice in writing to the Corporation.

Upon a vote of two-thirds of the total members of the Board of Directors, the Board may suspend or remove a Board member for actions detrimental to the Corporation. Failure to attend two consecutive meeting of the Board without an acceptable excuse shall be deemed to be such an action.

5.5. VACANCIES

Upon expiration of a Director's term or on resignation or removal of a Director, a vacancy shall be deemed created notwithstanding that (provided that the relevant Director would otherwise be eligible to continue to act as a Director, and has not been removed as a Director pursuant to By-Law 5.4) the relevant Director shall, if willing and able to do so, remain on the Board of Directors until the election by the Board of a person to fill such position in accordance with this By-Law 5.5.

Any vacancy occurring in the Board of Directors may be temporarily filled by the affirmative vote of the majority of the remaining Directors, at any meeting of the Directors (even if less than a quorum of the Board). A Director appointed by the Board to fill a vacancy shall serve on a temporary basis until the next-following annual meeting of members, at which time the vacant position shall be filled by election by the members in accordance with By-Law 5.3.

Any Directorship to be filled by reason of an increase in the total number of Directors shall be filled by election at any meeting of the Board called for that purpose.

5.6. QUORUM AND VOTING REQUIREMENTS OF DIRECTORS

A majority of the Board of Directors shall constitute a quorum for the transaction of business.

The act of a simple majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors; except as required in By-Law 5.4 concerning removal of Directors.

5.7. ANNUAL MEETING OF DIRECTORS

The Board of Directors shall hold an annual meeting at which the Directors may elect officers and, subject to By-Law 4.10, transact such other business as shall come before the Corporation for a vote.

The annual meeting of the Board shall be held between May and October, in conjunction with one of the Kerrville festivals.

5.8. REGULAR MEETINGS OF DIRECTORS

Further regular meetings of the Board of Directors may be held at such time as shall be determined from time to time by resolution of the Board of Directors.

5.9. SPECIAL MEETINGS OF DIRECTORS

The Secretary shall call a special meeting of the Board of Directors whenever requested to do so by the Chair or by two Directors. Such special meeting shall be held at the time specified in the notice of meeting.

5.10. PLACE OF DIRECTORS' MEETINGS

All meetings of the Board of Directors (annual, regular or special) shall be held either at the principal office of the Corporation or at such other place, either within or without the State of Texas, as shall be specified in the notice of meeting.

5.11. NOTICE OF DIRECTORS' MEETINGS

All meetings of the Board of Directors (annual, regular or special) shall be held upon five (5) days' written notice stating the date, place and hour of meeting, and delivered to each Director either personally or by mail or email, at the direction of the Chair or the Secretary or the officer or person calling the meeting. In any case where each Director executes a waiver of notice of the time and place of meeting, no notice thereof shall be required, and any such meeting (whether annual, regular or special) shall be held at the time and at the place (either within or without the State of Texas) specified in the waiver of notice. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where the Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

5.12. EXECUTIVE COMMITTEE

The Board of Directors shall establish an Executive Committee composed of all officers elected by the Board, the Executive Director as a non-voting member, and such other Directors as the Board may select. No more than four Directors, not including the Executive Director, may serve on the Executive Committee.

The Executive Director in cooperation with the Executive Committee shall prepare and present an annual budget to the entire Board which the Board may modify prior to approval. The Executive Committee shall have the power to adjust items within the budget if the total budget is not exceeded; unless otherwise directed within the budget.

The Chair of the Board of Directors shall serve as Chair of the Executive Committee unless the Chair of the Board is unavailable for a meeting, in which case the Vice-Chair shall serve as Chair of the Executive Committee.

Minutes of the Executive Committee meetings shall be maintained and sent to all Directors or posted on a website accessible to all Directors.

5.13. OTHER COMMITTEES

The Board may create committees to focus on various aspects of the Corporation's operations. The number of committees and responsibilities of each committee shall be established by the Board. Committees shall obtain approval of the Executive Committee or the Board as required by the By-laws or the appointing resolution. Committees shall be designated as "standing" or "special."

Standing committees shall focus on on-going aspects of the Corporation. The chair of standing committees shall be selected by the Board, and shall serve at the pleasure of the Board. The chair of each standing committee shall be a Director of the Corporation. The chair of each committee shall select members of their committee subject to approval by the Board. Members of standing committees may or may not be members of the Board.

Special committees may be created by either the Board or the Executive Committee to focus on special issues or projects. Special committees shall be created for a specific period of time. The chair of each special committee shall be named at the time the committee is appointed. The chair and members of special committees may or may not be members of the Board. Special committees shall report to the entity which created them through the chair of the committee.

Unless provided with spending authority through the budget, committees do not have spending authority. Committees may make funding requests to the Executive Director who will determine if the request is within the budget.

5.14. POWERS RESERVED TO THE BOARD

The Board shall not delegate to any committee or individual the authority to:

- Elect officers for the Corporation;
- Approve and expand the annual budget of the Corporation;
- Borrow money in the name of the Corporation;
- Create standing committees;

- Hire, fire, suspend or remove the Executive Director;
- Suspend or remove a member of the Board of Directors for actions detrimental to the Corporation (which shall require approval by two thirds of all elected Directors).

The Executive Committee may make recommendations to the Board on these and other issues.

5.15. DIRECTOR COMPENSATION

Duly elected members of the Board of Directors shall not receive any salary for their services, but may at the determination of the Board be reimbursed for Foundation-related expenses they have incurred.

ARTICLE VI: OFFICERS

6.1. OFFICERS' ELECTION

The officers of the Corporation shall consist of a Chair, a Vice-Chair, a Secretary, a Treasurer, and such other officers as the Board directs. All such officers shall be elected by the Board. The Board of Directors may also elect or appoint such other officers and assistant officers and agents as may be deemed necessary. Any two or more offices may be held by the same person, except the offices of Chair and Secretary.

All officers and assistant officers shall be elected to for one year or until their successors are elected; provided, that any officer or assistant officer elected or appointed by the Board of Directors may be removed with or without cause by resolution of the Board whenever in the judgment of the Board of Directors the best interests of the Corporation will be served thereby.

Any agent appointed shall serve for such term, not longer than one year, as shall be specified, subject to the right of removal by the Board of Directors acting in its discretion.

6.2 OFFICER VACANCIES

If any office becomes vacant for any reason, the vacancy may be filled at any validly-called meeting (or by written consent) of the Board of Directors.

6.3 POWER OF OFFICERS

Each officer shall have, subject to these By-Laws, in addition to the duties and powers specifically set forth herein, such powers and duties as are commonly incident to his/her office and such duties and powers as the Board of Directors shall from time to time designate. All officers shall perform their duties subject to the directions and under the supervision of the Board of Directors. The Chair may secure the fidelity of any and all officers by bond or otherwise.

6.4 CHAIR

The Chair shall chair all meetings of the Board and shall see that all orders and resolutions of the Board are carried out, subject however, to the right of the Directors to delegate specific powers to any officers or staff members of the Corporation. In the absence of an Executive Director appointed by the Board, the Chair shall be the chief executive officer of the Corporation.

Subject to approval from the Board of Directors or an authorized committee thereof, the Chair or any Vice-Chair shall execute bonds, mortgages and instruments requiring a seal, in the name of the Corporation, and, when authorized by the Board, he/she or any Vice-Chair may affix the seal to any instrument requiring the same, and the seal when so affixed shall be attested by the signature of either the Secretary or an Assistant Secretary.

The Chair shall be ex-officio a member of all standing committees; however, attendance at meetings of committees, other than the Executive Committee, shall be at the discretion of the Chair. The Chair may appoint any officer to sit with any committee in his/her absence.

He/she shall submit a report of the operations of the Corporation for the year to the Directors at their annual meeting.

The Chair shall give or cause to be given notice of all meetings of the Board of Directors.

6.5 VICE-CHAIR

The Vice-Chair shall, in the absence or disability of the Chair, perform the duties and exercise the powers of the Chair, and shall perform such other duties as the Board of Directors shall prescribe.

6.6. THE SECRETARY AND ASSISTANT SECRETARY

The Secretary shall normally attend all meetings of the Board and Executive Committee. The Secretary or Assistant Secretary shall:

- (a) keep a list of members (or cause them to be kept), noting the status of their fees payments and indicating when their membership was purchased;
- (b) be responsible for maintaining an accurate record of all votes and actions of members and of the Board;
- (c) perform all duties relating to facilitating the nomination and election of Directors at the annual meeting of members.

The Assistant Secretary, if any, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary, and such other duties as the Board of Directors shall prescribe. In the absence of the Secretary or the Assistant Secretary, the minutes of all meetings of the Board shall be recorded by such person as shall be designated by the Chair or by the Board of Directors.

6.7. THE TREASURER AND ASSISTANT TREASURERS

The Treasurer shall be responsible for the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall see that all moneys and other valuable effects are deposited in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

The Treasurer shall oversee the disbursement of the funds of the Corporation as may be ordered by the Board of Directors, and that proper vouchers for such disbursements are maintained. He/she shall see that the Corporation's books of account are kept and maintained. He/she shall render to the Directors an account of all of his/her transactions as Treasurer and of the financial condition of the Corporation and exhibit the books, records and accounts to the Directors at any time. He/she shall see to the disbursement of funds for capital expenditures as authorized by the Board of Directors and in accordance with the orders of the Chair, and present to the Chair for his/her attention any requests for disbursing funds if in the judgment of the Treasurer any such request is not properly authorized. He/she shall perform such other duties as may be directed by the Board of Directors or by the Chair.

If required by the Board of Directors, he/she shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his/her office and for the restoration to the Corporation, in case of his/her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and property of whatever kind in his/her possession or under his/her control belonging to the Corporation.

The Assistant Treasurer, if any, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and perform such other duties as the Board of Directors shall prescribe.

ARTICLE VII: EXECUTIVE DIRECTOR

7.1. EXECUTIVE DIRECTOR

The Board shall have the power to appoint an Executive Director to serve as the Chief Executive of the Corporation.

The Executive Director shall be responsible for the day to day operation of the Corporation and its assets, including the Kerrville Folk Festival, Inc.

The Executive Director shall prepare an annual financial report to be submitted no later than November 1 of each year and prepare an annual budget to be submitted to the Board for its approval no later than September 15 of each year.

7.2 QUALIFICATIONS

The Executive Director shall have experience in overseeing and managing the finances and operations of organizations and events similar to the Corporation and familiarity with the folk music industry.

7.3 AUTHORITY

The Executive Director shall be able to approve dispersal of the funds of the Corporation for operating expenses within the approved annual budget. The Executive Director may approve dispersal of unbudgeted funds for urgent corporate needs up to a limit to be set by the Board.

The Executive Director may from time to time exceed the budget for specific line items, provided total expenditures for the budget category remain within the budgeted amount.

The Executive Director shall provide to the Board of Directors regular financial reports with explanatory notes for budget variances in either direction; including an annual financial report.

Changes to the annual operating budget may be recommended by the Executive Director, subject to approval by the Board

With the exception of the Festival Producer, the Executive Director shall have the authority to hire paid staff and to terminate the employment of any paid staff of the Corporation; except under conditions of personal conflict of interest in which the Executive Director shall cede such authority to the Board.

The Executive Director shall make a recommendation to the Executive Committee and the Board of Directors regarding the hiring or termination of the Producer of the Festival. The Producer of the Festival may only be hired or terminated with the approval of the Executive Committee and only after the Board of Directors has been given 14 calendar days notice of the proposed hiring or termination.

7.4 COMPENSATION

The Executive Director may be financially compensated as approved by the Board.

7.5 TERMINATION

The Executive Director serves at the pleasure of the Board and may be terminated with cause or the financial needs of the Corporation by a vote of the majority of the Board. Termination without cause shall require a majority vote of the Executive Committee followed by a majority vote of the Board.

ARTICLE VIII: MISCELLANEOUS

8.1. ACTION BY WRITTEN CONSENT

Action may be taken in lieu of Directors' meetings or committee meetings by written consents signed by a majority of the Directors or committee members, as applicable. Each written consent must bear the date of signature of each person signing it. A consent signed by fewer than all of the Directors or committee members is not effective to take the intended action unless consents, signed by the required number of persons, are delivered to the Corporation within 60 days after the date of the earliest-dated consent delivered to the Corporation. Delivery must be made by hand, or by certified or registered mail, or by email, return receipt requested. The delivery may be made to the Corporation's registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent having custody of books in which the relevant proceedings are recorded. If delivery is made to the Corporation's place of business, the consent must be addressed to the Chair or another principal executive officer.

The Corporation will give prompt notice of the action taken to persons eligible to sign such consents and who have not done so. If the action requires documents to be filed with the secretary of state, the filed documents will state that the written-consent procedures have been properly followed.

A telegram, telex, cablegram, email or similar transmission by a Director or committee member, or photographic, facsimile, or similar reproduction of a signed writing, is to be regarded as being signed by the Director or committee member.

Email communication from a Director or officer's email account shall be presumed to come from said individual. Board members shall ensure that their current email addresses are on file for use by the Corporation.

Informal actions shall be recorded in the minutes of the next meeting of the Directors or Executive Committee.

8.2 SEAL

The corporate seal, if any, shall be circular in form and shall contain the name of the Corporation, the year of its incorporation and the words "TEXAS" and "CORPORATE SEAL" or an image of the Lone Star. The seal may be used by causing it or a facsimile to be impressed or affixed or in any other manner reproduced. The corporate seal may be altered by order of the Board of Directors at any time.

8.3. CHECKS

All checks or demands for money and notes of the Corporation shall be signed by the Executive Director and/or Treasurer and such officer, officers or such other person or persons as the Board of Directors may from time to time designate.

8.4. FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of October in each and every year.

8.5. INDEMNIFICATION AND INSURANCE

The Corporation may indemnify any person who was, is or is threatened to be made a named defendant or respondent in litigation or other proceedings because the person is or was a Director, officer, or other person related to the Corporation regardless of the provisions of the Texas Non-Profit Corporation Act or the Texas Business Organizations Code governing indemnification.

The Corporation shall purchase liability insurance for officers and Directors of the Corporation.

8.6. AMENDMENTS

These By-Laws may be altered, amended or repealed in whole or in part by the affirmative vote of the Board of Directors; subject to provisions in Bylaws Section 4.10, requiring a vote of the membership.

8.7. ROBERT'S RULES OF ORDER

Unless suspended by the Board, meetings of the Board of Directors and meetings of the members shall be conducted in accordance with Robert's Rules of Order, insofar as such rules are not inconsistent with or in conflict with the Amended Articles of Incorporation, these By-Laws or with provisions of law.

8.8. FORCE MAJEURE

In the event of extraordinary and unforeseen circumstances, the Board, by majority vote, may waive or modify any bylaw provision herein to the extent necessary to preserve the functioning of the organization. Such circumstances include, but are not limited to; acts of god, disease, public health crisis, war, weather, acts of civil or military authority, governmental order, or similar events and circumstances. Waivers or modifications may include, but are not limited to; date and/or location of the annual meeting, date of election of Directors, required notifications to the membership, or expiration of Director terms. Waivers and modifications shall be the minimum extent necessary to maintain the functioning of the organization, shall not be permanent, and must include an expiration date. A Director's expiring term may not be extended beyond the date of an annual meeting where an election by the membership can be held. The Board may not waive or modify provisions reserved to the Membership as described in Section 4.10. The Board shall notify the membership of waivers or modifications made under this provision within thirty days of the action by the Board.

EXECUTED this 17th day of October, 2020 by vote of the members of the Foundation.