

AMENDED AND RESTATED BY-LAWS
OF THE
AMERICAN FOLK ART MUSEUM

Updated by the Board of Trustees on September 14, 2021

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ARTICLE I.

Name, Territory, Office & Corporate Status

Section 1. *Name.* The Corporation shall be known as: American Folk Art Museum (hereinafter “the Corporation”).

Section 2. *Territory.* The Corporation shall conduct activities primarily in the City of New York in the State of New York, unless otherwise stipulated in the Corporation’s Certificate of Incorporation, as may be amended.

Section 3. *Office.* The principal office of the Corporation shall be located in the City of New York, State of New York. This office shall direct corporate activities and be the depository for all corporate records. The Corporation may also have offices at such other places within the State as the Board of Trustees (the “Board”) may, from time-to-time, determine and/or the business or operations of the Corporation may require.

Section 4. *Corporate Status.* The Corporation is a New York Not-for-Profit Corporation, a “Charitable Corporation” as defined by the Not-for-Profit Corporation Law and exempt from income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 2017.

ARTICLE II.

Corporate Purposes & Document Construction

Section 1. *Corporate Purposes.* The purposes of the Corporation are set forth in the Certificate of Incorporation, as may be amended, and qualify the Corporation for exemption from income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 2017, as may be amended.

Section 2. *Document Construction.* If there is any conflict between the provisions of the Certificate of Incorporation, as may be amended, and these By-Laws, provisions of the Certificate of Incorporation, as may be amended, shall govern.

Section 3. *Definitions.* Should any term, phrase or understanding relative to any topic addressed in these By-Laws and/or the policies of the Corporation be specifically defined in a document entitled, “By-Law and Corporate Policy Definitions,” a copy of which is annexed hereto, and made a part of these By-Laws as Appendix A, the stipulated definition of such term in said document shall govern for purposes of interpreting the By-Laws and/or corporate policies.

ARTICLE III.

Membership

This Corporation shall have no “member” or “members,” as said terms are or may be defined, or implied, by the New York Not-for-Profit Corporation Law.

ARTICLE IV.

Board of Trustees

Section 1. *General Management; Action.* The Board shall have ultimate authority in governing the operations, finances, and affairs of the Corporation. The Board shall adopt, implement, monitor, and modify, as may be needed, policies and procedures necessary for proper corporate management. The Board shall be empowered to employ necessary staff, retain necessary professional assistance, authorize

agreements and expenditures, and take all necessary and proper steps to advance the purposes and promote the best interests of the Corporation. Except as specifically provided in these By-Laws or by applicable law, all actions to be taken by the Board shall require a vote of a majority of the Board present at a duly organized meeting of the Board.

Section 2. *Number.* There shall be, at least five (5), but no more than thirty-five (35), seats on the Board of Trustees, including Officers, with the exact number to be equal to the number of Trustees then serving: no vacancies shall be created by a resignation, removal, death or disability of a Trustee, but rather the number of Trustees constituting the Entire Board shall be automatically decreased; and the number of Trustees constituting the Entire Board shall also be automatically increased following any additions to the Board. The permissible number of Trustees may be increased or decreased by amendment of the By-Laws by vote of a majority of the Entire Board, but no decrease shall shorten the term of any incumbent Trustee.

Section 3. *Trustees Emeriti.* At the discretion of, and upon the determination of, a majority of the Board present at a duly organized meeting of the Board, any former Trustee may be elected as *Emeritus Trustee* to serve at the pleasure of the Board. *Trustees Emeriti* shall receive notices of, and shall be permitted to attend, all meetings of the Board. *Trustees Emeriti* shall have no legal responsibilities in the conduct of the affairs of the Corporation, shall not be voting members and shall not be counted for purposes of establishing a quorum.

Section 4. *Qualifications and Expectations.* All Officers and Trustees must be at least eighteen (18) years of age and committed to advancing the purposes of the Corporation. Officers and Trustees are expected to attend all Board meetings, regularly attend events and programs sponsored by the Corporation, and financially contribute to the Corporation, in each case consistent with guidance established from time to time by the Board.

Section 5. *Selection Procedure, Terms of Office, Newly Created Trusteeships & Vacancies.*

5.1. *Terms of Office.* The term of office for a Trustee shall be three (3) years in duration, unless otherwise provided in these By-Laws. The terms of office for all Trustees shall begin on the day of their election, except that for Trustees elected at any duly organized meeting of the Board other than an Annual Meeting, they shall be deemed to have commenced their three (3) year term upon the date of the immediately preceding Annual Meeting. Trustees may serve any number of consecutive three (3) year terms without limit.

5.2. *Selection Procedure.* At each Annual Meeting of the Board, the Board, by a majority vote of those present at a duly organized meeting of the Board, shall consider the reelection of those Trustees whose terms are expiring at such Annual Meeting. New Trustees may be elected at any Annual Meeting of the Board. New Trustees also may be elected at any other duly organized meeting of the Board, but the duration of their three (3) year terms shall be deemed to have commenced upon the date of the immediately preceding Annual Meeting.

Section 6. *Resignation.* A Trustee may resign, at any time, as a Trustee or Officer, by giving written notice by first class mail or by electronic mail to the President, Secretary, or the Board. Any such resignation shall take effect immediately upon receipt or at the time specified therein. Unless specifically requested, acceptance of any such resignation shall not be necessary for its effectiveness. Resignation does not eliminate or reduce any financial obligation or commitment already incurred as a Trustee.

Section 7. *Removal.* Any Trustee and/or Officer may be removed, with, or without, cause, by a majority vote of the Entire Board. Prior to any Meeting where a vote is to be taken to remove a Trustee and/or Officer, the Trustee and/or Officer in question, and all other Trustees, shall receive specific notice of said proposed anticipated action at least one month in advance, unless the Board determines that exigencies require a shorter period. At any meeting where a vote is to be taken to remove a Trustee and/or Officer, the Trustee and/or Officer in question shall be entitled to attend and afforded a reasonable opportunity to

argue in his/her defense. "Cause" includes, but is not limited to, missing multiple Board meetings without good reason, failing to fulfill, or failing to show good faith efforts to fulfill responsibilities as a Trustee or officer, or other Board expectations. Removal for cause does not eliminate or reduce any financial obligation or commitment already incurred as a Trustee.

Section 8. *Meetings.*

8.1. *Annual Meetings.* The Board shall convene an Annual Meeting for the purpose of electing Trustees, appointing Officers, and transacting such other and further business of the Corporation. Reasonable advance notice of the Annual Meeting, including time, date and location, shall be given by means of establishing a customary meeting date, first class mail, electronic mail, and/or telephone. The Annual Meeting may be held concurrently with the regular meeting of the Board of Trustees in such month.

8.2. *Regular Meetings.* The Board, in accordance with a schedule to be determined by the Board, shall endeavor to annually convene at least four (4) Regular Meetings. Reasonable advance notice of the Regular Meetings, including time, date and location, shall be given by means of the advance scheduling of meeting dates, first class mail, electronic mail, telephone and/or personal delivery.

8.3. *Special Meetings.* Special Meetings of the Board shall be called upon the request of the President or by any Trustee upon written demand of not less than one-fifth of the Entire Board. Special Meetings are called to consider specific matters that may be confronted by the Corporation between Regular Meetings, provided the order of business is limited solely to purposes specified in the Special Meeting notice. Notice of Special Meetings, including purpose, time, date, and location, shall be given by first class mail, electronic communication, telephone, and/or personal delivery. Notice shall be given via electronic mail not less than three (3) business days before the meeting, unless exigencies make such notice impracticable, in which event the most prompt notice reasonably practicable in the circumstances shall be given.

Section 9. *Waivers of Notice.* Notice of any meeting of the Board need not be given to any Trustee who submits a signed waiver of notice, by first class mail, electronic mail, or personal delivery to the Board, the President or the Secretary, either before or after the meeting, or who attends the meeting without protesting the lack of formal notice prior to formal commencement.

Section 10. *Quorum.* A quorum shall be required for the legal and proper conduct of the business of the Board of Trustees. Unless a greater proportion is required by applicable statute or in these By-Laws, a majority of the Entire Board shall constitute a quorum for the transaction of any business. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of or abstention from voting by any Trustees.

Section 11. *Organization.*

11.1. *President.* At all meetings of the Board, the President, or, in his/her absence, another Trustee chosen by the Board shall preside.

11.2. *Secretary.* At all meetings of the Board, the Secretary, or, in his/her absence, another Trustee chosen by the Board shall act as Secretary of the meeting.

Section 12. *Voting.* Each Trustee shall have one (1) vote.

Section 13. *Action by the Board of Trustees.*

13.1. *Written Unanimous Consent.* Any action required or permitted to be taken by the Board may be taken without a meeting if every Trustee then in office submits to the Secretary of the Corporation, or his/her designee, a written consent, delivered by first class mail or electronic mail, authorizing a resolution

to permit the action. A copy of the resolution, and all written consents thereto, shall be filed with the minutes of the proceedings of the Board.

13.2. *Electronic Communication.* Any, or all, Trustee(s), or invited committee or task force member(s), may participate in any meetings of the Board of Trustees, by means of a conference telephone, electronic video screen communication 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 a meeting of the Board.

ARTICLE V.

Officers

Section 1. *Officers, Appointment, Term.* The Board may, by majority vote, appoint a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other Officers as the Corporation may determine are needed from time-to-time, who shall be given such duties, powers and functions as hereinafter provided or prescribed by the Board from time to time. Officers are elected by a majority vote of the Board present at a duly organized meeting of the Board from slates of Board candidates eligible and willing to serve. All Officers shall be Trustees. Officers shall be appointed to hold office for one term of three (3) years and may be re-appointed for one additional term of three (3) years. The Board may waive these limits in appropriate circumstances determined in its sole discretion. Each Officer shall hold office for the term for which he/she is appointed and until his or her successor has been appointed. Any two or more offices may be held by the same person, except the offices of President and Secretary, or the offices corresponding thereto.

Section 2. *Duties.*

2.1. *President and Chair of the Board.* The President shall be the principal volunteer executive officer of the Corporation and shall in general monitor and supervise the business and affairs of the Corporation. The President shall preside at all meetings of the Board and shall be a voting member of all Committees of the Board and Committees of the Corporation, unless otherwise precluded by statute, regulation, and/or these By-Laws. The President is authorized to sign any deeds, mortgages, bonds, contracts or other instruments that the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, these By-Laws and/or applicable regulation or statute to some other Officer or agent of the Corporation. The President is the sole Officer or Trustee authorized to speak on behalf of the Board (while the Director & CEO shall be the principal spokesperson for the Museum), unless the President and/or the Board have otherwise delegated such authority to another Officer, Trustee and/or representative or otherwise directed by these By-Laws. The President shall be responsible for making recommendations to the Executive Committee regarding the compensation of the Director & CEO. The President shall perform such other duties as from time-to-time may be assigned to him/her/them by the Board.

The immediately prior President shall serve as the Chair of the Board.

2.2. *Vice Presidents.* In the absence of the President, or in the event of the President's inability or refusal to act, one of the Vice Presidents (selected by majority vote of the Board present if there are several) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents shall perform such other duties as from time-to-time may be assigned to them by the President and/or the Board.

2.3. *Secretary.* The Secretary shall keep the minute books and, if there be one, the seal of the Corporation, serve or cause to be served all notices of the Corporation (including notices of meetings of the Board), record the minutes of all meetings of the Board, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board, the President,

or the Executive Committee, which duties may include powers elsewhere assigned or delegated to other Officers.

2.4. *Treasurer.* The Treasurer shall be responsible for the supervision and accounting of all funds received or expended by the Corporation and shall keep the Board informed on all pertinent financial matters. The Treasurer shall serve as the Chair of the Finance & Investment Committee. The Treasurer shall work with the Finance & Investment Committee, the Chief Financial Officer (or equivalent in title at the Corporation) and the Director & CEO to develop policies for the financial integrity and sustainability of the organization, as well as develop long-term financial strategies; keep currently informed of legal, regulatory, and sector developments relating to the Board's financial responsibilities; work with the CFO and the Director & CEO to help ensure that appropriate systems, controls, and accounting processes are in place for the receipt and disbursement of funds; and assist the Finance & Investment Committee with the selection and performance of the outside managers of the Museum's funds. The Treasurer shall ordinarily, but need not necessarily, serve on the Audit Committee, or its functional equivalent, if applicable, but solely as a liaison, and not as a member or Chair of any such Committee of the Board. The Treasurer shall provide a financial report at all Regular Meetings of the Board. The Treasurer shall perform such other duties as from time-to-time may be assigned by the President and/or the Board.

2.5. *Delegation of Duties.* Whenever an Officer is absent or whenever for any reason the Executive Committee may deem it desirable, the Executive Committee may delegate, until the next meeting of the Board of Trustees, the powers and duties of an Officer to any other Officer or Officers or to any other Trustee or Trustees.

ARTICLE VI.

Committees

Section 1. *Committee Types, General Authority & Responsibilities.* The Board may permissibly charge committees to perform various functions on behalf of the Corporation in either of the two (2) available types: Committees of the Board and Committees of the Corporation. Each Committee of the Board and Committee of the Corporation, and every member thereof, shall serve at the pleasure of the Board. All Committees shall keep minutes of all proceedings.

Section 2. *Committees of the Board.* Committees of the Board shall be composed of at least three (3) Trustees and shall have the authority delegated by the Board. Non-Trustees may serve as ad hoc non-voting members of Committees of the Board. Committees of the Board shall operate pursuant to a written charter elaborating upon the duties, responsibilities, and general procedural rules as approved by the Nominating and Governance Committee.

2.1. The Board shall have at least the following standing Committees: Executive; Audit; Nominating and Governance; and Finance & Investment. The Board may designate additional standing Committees of the Board, with such authority as the applicable resolution shall provide.

Section 3. *Committees of the Corporation.* Committees of the Corporation shall be comprised of at least three (3) members, and must include at least three (3) Trustees, but may otherwise include non-Trustees and members from the general community. Committees of the Corporation shall have such duties, responsibility and authority as prescribed by the Board. Committees of the Corporation are advisory in nature and cannot bind the Board or the Corporation in any manner. Committees of the Corporation shall be chaired by a Trustee.

Section 4. *Subcommittees and Task Forces.* The Board and each of the Committees, in its own discretion, may establish Subcommittees and task forces to assist the Board and/or Committee in carrying out its activities. These Subcommittees and task forces are advisory in nature and cannot bind the Corporation in

any matter. Subcommittees and task forces may have Trustees Emeriti and non-Trustees as members and it is not necessary for the majority of a Subcommittee or task forces to be comprised of Trustees. The Chairperson of a Subcommittee or task force shall be a Trustee.

Section 5. *Advisory Committees and Advisors.* The Board may appoint any number of individuals as Advisors of the Corporation to act either singly or as a committee or committees. Each Advisor shall hold office at the pleasure of the Board and shall have the authority and duties assigned by the Board. Advisors can attend events and programs of the Corporation, serve as consultants, provide professional contacts and/or services, attend Board meetings upon the invitation of the President or the Board and provide advice during such meetings, and assist with development and fundraising activities including reaching out to potential funders and donors.

Section 6. *Qualifications.* The Board may establish or waive qualifications for committee membership at its discretion, provided any such modifications are, otherwise, consistent with the terms of these By-Laws and/or applicable statute, regulation, and/or contractual obligation, as appropriate. The Chairperson of each Committee shall be designated in accordance with such Committee's charter except the Executive Committee which shall be chaired by the President of the Board.

Section 7. *Meetings.* Meetings of committees and task forces, as necessary, shall be held at such time and place as may be fixed by the Chairperson of the applicable Committee or by majority vote of the members of the committee and pursuant to the notice requirements for Board meetings.

Section 8. *Quorum and Manner of Acting.* 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 and the vote of a majority of all of the members of the committee present at a meeting with a quorum shall be the act of the committee. The procedures and manner of acting of all committees shall be subject to the direction of the Board. All committees, subcommittees and task forces shall maintain appropriate minutes of their meetings to document and present proper and appropriate oversight of committee activities.

ARTICLE VII.

Director & CEO

Section 1. *Duties.* The Board shall employ an individual who shall serve as the chief executive officer of the Corporation, hold the title of Director & CEO, be subject to the authority of the Board, and serve at the Board's pleasure. Except as otherwise directed by the Board, the Director & CEO shall devote his/her/their time to the affairs of the Museum and serve as its spokesperson. The Director & CEO shall generally assume responsibility for the day-to-day oversight of the affairs, operations, and management of the Museum, including its programs, exhibitions, operations, and finances. The Director & CEO shall be responsible for the hiring, supervision, evaluation, and termination of employees. In addition, the Director & CEO shall be responsible for effectuating the purposes of the Museum and assuring proper and compliant implementation of Board policies and directives. The Director & CEO shall perform all other such duties as are incidental to the position and/or established in a Board approved job description, resolution or employment contract. The Director & CEO shall not be a member of the Board (and will not be counted for quorum purposes) but will be an ex-officio member and shall attend all Board meetings other than executive sessions.

Section 2. *Review of Compensation.* At least annually, the President of the Board shall make a compensation recommendation for the Director & CEO to the Executive Committee. The Executive Committee shall engage in a compensation analysis of the Executive Director, and, if deemed necessary at the discretion the Board, of any other "Key Person(s)," to run concurrently with the annual performance evaluation of such employee(s).

Section 3. *Removal.* The Board, by a majority vote of the Entire Board, may remove the Director & CEO with or without cause.

Section 4. *Vacancy.* The Board is responsible for electing the Director & CEO and filling vacancies, if any, in such office.

ARTICLE VIII.

Elected Officer & Trustee Compensation, Reimbursement & Loans

Section 1. *Compensation.* No elected Trustee, Officer, Advisor, or member of a committee or task force shall receive compensation for his/her/their services as a Trustee, Officer, Advisor, and/or member of a committee or task force, but if properly authorized, such person may permissibly receive other compensation for services that may be rendered to the Corporation, provided any such compensation is awarded pursuant to all applicable policies and procedures required by statute, regulation and/or these By-Laws.

Section 2. *Reimbursement.* Notwithstanding the mandates of this Article, at the discretion of the Board, individual Trustees, Officers, Advisors, members of committees or task forces and employees of same may be reimbursed in an amount determined by the Board for expenses reasonably incurred by them in the performance of their duties on behalf of the Corporation.

Section 3. *Loans.* No loans shall be made by the Corporation to its Trustees, Officers, Advisors, members of committees or task forces, and/or members of the immediate families of any such persons, or to any business, corporation, firm, association or other entity in which one or more of its Trustees, Officers, or committee members “immediate families” are Trustees or officers or hold a substantial financial interest, except as may be permitted by statute.

ARTICLE IX.

Fiscal Year, Independent Financial Audit & Corporate Seal

Section 1. *Fiscal Year.* The fiscal year of the Corporation shall be fixed by the Board.

Section 2. *Independent Financial Audit.* If required pursuant to stipulated statutory thresholds dictated by annual revenue received and/or other applicable regulations and/or contractual obligations, demanded by the Office of the Attorney General, requested by another regulatory agency, or by a funder as a condition of funding, or otherwise recommended and authorized by the Board, the accounts of the Corporation shall be subject to an annual audit report or review prepared by an Independent Auditor (as defined in Appendix A) to be overseen by either the Board of Trustees, or an authorized Committee of the Board, comprised solely of Independent Trustees (as defined in Appendix A), in a manner compliant with all applicable statutory, regulatory, and contractual obligations. If such an audit report or audit review is commissioned, the Corporation shall adhere to the terms of the Corporation’s Audit Oversight Policy, which, in the absence of statutory obligation, shall be considered advisable, but not required.

ARTICLE X.

Whistleblower Policy

The Corporation shall adopt a whistleblower policy in accordance with applicable law to provide procedures for the reporting of violations or suspected violations of corporate policies, and to protect from retaliation persons who report suspected improper conduct.

Conflicts of Interest Policy

The Corporation shall adopt a conflicts of interest policy and relevant form for disclosure of conflicts and a policy relating to the processes and procedures for the review of related party transactions in accordance with applicable law.

ARTICLE XI.

Indemnification of Trustees, Officers and Employees

The Corporation shall indemnify to the fullest extent permitted by law, its Trustees, Officers, Advisors, employees, and volunteers against judgments, fines, amounts paid in settlement, and reasonable expenses and costs, including attorneys' fees (and shall advance such attorneys' fees, costs and expenses to the fullest extent permitted by law), in connection with any claim threatened or asserted against the Trustee, Officer, Advisor, employee or volunteer, by court action or otherwise, by reason of the fact that such person was a Trustee, Officer, Advisor, employee or volunteer of the Corporation and acting in good faith for a purpose which such person reasonably believed to be in the best interest of the Corporation, and was not unlawful, unethical or immoral. The Corporation shall purchase and maintain appropriate Directors and Officers liability insurance coverage.

ARTICLE XII.

Fundamental Corporate Changes

Section 1. *By-Law Amendments.* These By-Laws may be amended, repealed, or altered, in whole, or in part, by a majority vote of the Board present at a duly organized meeting of the Board called for that purpose.

Section 2. *Certificate of Incorporation Changes and Amendment.* The Corporation's Certificate of Incorporation/Charter may be changed or amended, in whole, or in part, by a majority of the Board present at a duly organized meeting of the Board, provided all necessary statutory approvals are subsequently secured and any Certificate of Change or Amendment is accepted for filing by the New York Department of Education.

Section 3. *Merger or Consolidation.* The Corporation may be merged or consolidated by a two-thirds majority vote of the Entire Board, provided all necessary statutory approvals are subsequently secured and any Certificate of Merger or Consolidation is accepted for filing by the New York Department of Education.

Section 4. *Dissolution.*

4.1. *Procedure.* The Corporation may be dissolved by a two-thirds majority vote of the Entire Board, provided all necessary statutory approvals are subsequently secured and any Certificate of Dissolution is accepted for filing by the New York Department of Education.

4.2. *Residual Assets.* In seeking regulatory approvals necessary for Dissolution, the Corporation shall exercise its best efforts to assure that any residual assets are donated to another Not-for-Profit Corporation, or Corporations, qualified under Section 501(c)(3) of the Internal Revenue Code of 2017, with analogous corporate purposes.

Section 5. *Disposition of All, or Substantially All, Assets or Acquisition of Any Material Assets.* In any transaction where the Corporation endeavors to dispose of "all, or substantially all, assets," as defined by statute, it shall first obtain all statutorily required consents. In any event, where "all, or substantially all," assets, or other material assets, are to be disposed of, or acquired, no related party transaction shall be authorized on behalf of the Corporation in the absence of a two-thirds majority vote of the Entire Board,

provided, however, that if there are 21 or more Trustees, the vote of a majority of the Entire Board shall be sufficient.

APPENDIX A

DEFINITIONS

1. **Affiliate-** means any entity controlled by, or in control of, the Corporation.
2. **Entire Board-** means the total number of Trustees entitled to vote (which the Corporation would have if there were no vacancies). If the By-Laws provide that the Board shall consist of a fixed number of Trustees, then the “Entire Board” shall consist of that number of Trustees. If the By-Laws provide that the Board may consist of a range between a minimum and maximum number of Trustees, then the “Entire Board” shall consist of the number of Trustees in office within such range that were elected as of the most recently held elections of Trustees, as well as any Trustees whose terms have not yet expired.
3. **Independent Auditor-** means any Certified Public Accountant performing the audit of the financial statements of the Corporation who is not, nor is any member of his/her firm, an Officer, Trustee, employee or volunteer of the Corporation or has a Relative who is such an individual.
4. **Independent Trustee-** means a Trustee who:
 - i. is not, and has not been within the last three (3) years, an Employee or Key Person of the Corporation or an Affiliate of the Corporation and does not have a Relative who is, or has been within the last three (3) years, a Key Person (as defined by these By-Laws) of the Corporation or an Affiliate of the Corporation;
 - ii. has not received, and does not have a Relative who has received, in any of the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation or an Affiliate of the Corporation;
 - iii. is not a current Employee of or does not have a substantial financial interest in, and does not have a Relative who is a current Officer of or has a substantial financial interest in, any entity that has provided payments, property or services to, or received payments, property or services from, the Corporation or an Affiliate of the Corporation if the amount paid by the Corporation to the entity or received by the Corporation from the entity for such property or services, in any of the last three (3) fiscal years, exceeded the lesser of:
 - a. ten thousand dollars (\$10,000) or two percent (2%) of such entity's consolidated gross revenues if the entity's consolidated gross revenue was less than five hundred thousand dollars (\$500,000);
 - b. twenty-five thousand dollars (\$25,000) if the entity's consolidated gross revenue was five hundred thousand dollars (\$500,000) or more but less than ten million dollars (\$10,000,000);
 - c. one hundred thousand dollars (\$100,000) if the entity's consolidated gross revenue was ten million dollars (\$10,000,000) or more; or
 - iv. is not and does not have a Relative who is a current owner, whether wholly or partially, Trustee, Officer or Employee of the Corporation's outside auditor or who has worked on the Corporation's audit at any time during the past three (3) years.

For purposes of this definition, the term “compensation” does not include reimbursement for expenses reasonably incurred as a Trustee or reasonable compensation for service as a Trustee.

For purposes of this definition, the term “payment” does not include charitable contributions, dues or fees paid to the Corporation for services which the Corporation performs as part of its nonprofit purposes, or payments made by the Corporation at fixed or non-negotiable rates or amounts for services received, provided that such services by and to the Corporation are available to individual members of the public on the same terms, and such services received by the Corporation are not available from another source.

5. **Key Person-** means any person, other than a Trustee or Officer, whether or not an employee of the Corporation, who:
- i. has responsibilities, or exercises powers or influence over the Corporation, as a whole in a manner similar to the responsibilities, powers, or influence of Trustees and Officers;
 - ii. manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income, or expenses of the Corporation; or,
 - iii. alone, or with others, controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.
6. **Officer-** means any director, trustee, manager, governor, or by any other title, any individual holding an office of the Corporation identified in the Certificate of Incorporation/Charter and/or By-Laws.
7. **Relative-** of an individual means his or her spouse, domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and/or great-grandchildren.