

CONSTITUTION AND BY-LAWS **OF CHEERFUL CLOWN ALLEY #166**

Article I – Organizational Information

Section 1 - Name:

The name of the organization is Cheerful Clown Alley #166 (herein referred to as “Alley”). The Alley, founded in 1982, was chartered by Clowns of America (now Clowns of America International, Inc., herein called “COAI”) as a chapter member in 1984.

Section 2 – Principal Office and Website:

The principal mailing address of the Alley shall be Post Office Box 2192, Houston, Texas 77252-2192. For all legally required purposes, the Alley’s address shall be its then current President’s or acting President’s address. The Alley’s website is www.cheerfulclowns.com.

Section 3 – Fiscal Year:

The fiscal year of the Alley shall be the calendar year.

Section 4 – Purpose:

The purpose of the Alley, as a non-profit, tax-exempt organization, is exclusively for the charitable and educational reasons stated below within the meaning of Section 501(c)(3) of the Internal Revenue Code.

- 1.4.1. Provide the opportunity to study the art, history, and philosophy of clowning;
- 1.4.2. Educate its members and the general public in the wholesome and clean entertainment that is provided by the profession of clowning; and
- 1.4.3. Promote and support other non-profit, tax-exempt organizations in our community.

ARTICLE II - MEMBERSHIP

Section 1 – Membership:

Membership shall be open to anyone at least eight (8) years of age, who completes the following provisions:

- 2.1.1. Must submit a formal application and such other information as may be requested by the Board of Directors of the Alley from time to time, and be approved by it for membership.
- 2.1.2. Must pay and remain current on all Alley dues and assessments.

Section 2 – Full Membership:

Full members must be and remain a member in good standing of Cheerful Clown Alley and COAI. A full member shall be entitled to full and complete rights and privileges available to a member of the Alley, subject to Section 7 below.

Section 3 – Family Membership:

Family membership shall be open to anyone at least eight (8) years of age whose parent, spouse, or adult sibling residing in the same household is a member in good standing of the Alley. Family members have the same rights as Full Members, except as otherwise limited by these By-Laws and COAI membership is optional. The sole

purpose of designating a member as a Family member is for the payment of dues, and does not otherwise change the type or status of a member. Accordingly, Family members who choose not to be COAI members, have no voting rights, cannot serve on the board and have no clown name protection.

Section 4 – Associate Member:

Associate membership shall be open to anyone at least sixteen (16) years of age. Associate members do not have voting rights and cannot serve on the board of directors, do not have clown name protection and do not have to be members of COAI.

Section 5 – Junior Member:

Junior membership shall be open to anyone eight (8) through fifteen (15) years of age. Junior members are required to have an Alley member in good standing and at least 21 years of age as a sponsor. Junior members must be members of COAI in order to have clown name protection and voting rights in the Alley.

Section 6 – Membership Dues:

Membership dues are due and payable on an annual basis by January 1st. Dues received postmarked later than January 1st or the next business day may be subject to a late charge requiring to be paid to be a member in good standing of the Alley. Annual dues for the membership, as well as any other assessments, requirements, and matters relating to dues, shall be set by the Board of Directors. Whispers Award recipients will not be required to pay annual dues and assessments. Likewise, as a courtesy, dues and any such assessments may be waived for members of the Board of Directors during their term of office.

Section 7 – Limitation and Termination of Membership:

The Board of Directors shall have the right to deny, limit or terminate membership to any person or member of the Alley for any reason in its sole discretion. Any Alley membership described above shall be automatically terminated in the event a member fails to pay Alley dues and assessments (postmarked) by April 1st. Terminated members shall lose all membership rights including clown name protection. In order to regain membership status, a terminated member must submit a new membership application and all applicable fees to the Board of Directors.

ARTICLE III – BOARD OF DIRECTORS

Section 1 – Number and Authority:

The affairs and business of the Alley shall be conducted and managed by a Board of Directors consisting of eight (8) full or eligible family members. For specific purposes, the board shall have the power to appoint and designate any Alley member or non-member as its representative or agent, with or without contract.

Section 2 – Qualifications and Elections:

- 3.2.1. The members of the Board of Directors shall be the President, Vice President, Secretary, Treasurer, Immediate Past President of the Alley, one (1) Elected Member, one (1) Member- at-Large, and a Membership Director.
- 3.2.2. Each member of the Board of Directors must be a current member in good standing of the Cheerful Clown Alley, Clowns of America International, and the Texas Clown

Association and at least twenty-one (21) years of age and must have been a member of Cheerful Clown Alley for the preceding 12 months prior to election date to be eligible to run for a position on the Board of Directors. The dues of each named organization being either waived or paid by the Alley, as a courtesy, on behalf of the members of the Board of Directors for the year in which each serves thereon.

3.2.3. The office of President shall be held by a member who previously has held a position on the board of Directors.

3.2.4. The term of office of the Board of Directors shall be for the calendar year immediately following the election of Officers of the Alley. Members of the Board of Directors shall not serve more than three (3) consecutive elected terms in any single office on the board.

Section 3 – Immediate Past President:

If the Immediate Past President is unable to, or chooses not to, serve on the board, the board will invite the next most recent Past President to serve the remaining portion of the term. Should such latter Past President also decline or be unable to serve, the board will continue to function without a Past President until the next Board of Directors takes office.

Section 4 – Removal of Directors:

Members of the Board of Directors, by a two-thirds vote of a quorum of the board members present, in their sole judgment, shall have the power to remove any Officer from the Board of Directors by declaring that the office is vacant.

Section 5 – Vacancies:

Any interim vacancy or vacated office occurring for any reason on the Board of Directors during the calendar year shall be filled by appointment by the Board of Directors until an election can be held, except as hereinafter provided by these By-Laws.

Section 6: Quorum:

A majority of the entire Board of Directors, as it is then constituted, shall constitute a quorum for the transaction of Alley business, provided all members of the Board were duly notified of the meeting.

Section 7 – Voting:

The vote of a majority of the members of the Board of Directors at a duly constituted Board Meeting with a quorum present shall be sufficient to take action, unless otherwise noted by these By-Laws.

Section 8 – Meetings:

Regular meetings of the Board of Directors must be held at least quarterly per calendar year. Additional meetings may be called by the President, either personally or by mail or email as deemed appropriate. Special meetings shall be called by the President on like notice at the request of at least four (4) Directors.

Section 9 – Successors to Cheerful Clown Alley:

In the event that Cheerful Clown Alley shall cease to exist, the persons who are members of the Board of Directors at such time or the remaining members of such Board, even if less than a quorum, shall be authorized to sell all Cheerful Clown Alley assets. After paying any existing liabilities of the Alley, such persons or members of the board shall dispose in a

prudent manner all such cash received for the sale of Alley assets, and all assets not sold or saleable, to organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as at the time qualify as a tax-exempt, non-profit organization.

ARTICLE IV - OFFICERS

Section 1 – Officers:

The Officers on the Board of Directors of the Alley shall consist of a President, Vice President, Secretary, Treasurer, an Elected Member, Member-at-Large, Membership Director and such other elected officers as deemed necessary by the Board of Directors.

Section 2 – President:

The President shall be the Chief Executive Officer of the Alley and be bonded at Alley expense. The President shall preside at all meetings of the membership and shall have general and active management of the affairs of the Alley and shall see that all orders and resolutions of the Board are brought timely before the membership. The President and Treasurer jointly shall execute in the Alley name all authorized deeds, mortgages, bonds, contracts, or other instruments requiring an official signature, except in cases which the signing or execution thereof shall be expressly delegated by the Board of Directors, or otherwise pursuant to these by-laws, to some other officer or agent of the Alley. The President shall appoint committees, may be a member ex officio of all such committees, and shall have power and authority to perform all other duties incident to such office.

Section 3 – Vice President:

The Vice President shall be subject to the supervision and direction of the President and the Board of Directors and be bonded at Alley expense. The Vice President, in the absence of the President, or in the case of inability of the President to serve, shall perform the functions of the President. The Vice President shall also attend all meetings of the Alley, all meetings of the Board of Directors and shall organize the programs for the monthly meetings and special educational functions.

Section 4 – Secretary:

The Secretary shall be subject to the supervision and direction of the President and/or the Board of Directors and be bonded at Alley expense. The Secretary shall attend all meetings of the Alley, all meetings of the Board of Directors, act as a clerk thereof, record all notes, votes and minutes of proceedings in the minute book to be kept for that purpose, and perform all other duties incident to such office.

Section 5 – Treasurer:

The Treasurer shall be subject to the supervision and direction of the President and/or the Board of Directors and be bonded at Alley expense. The Treasurer shall attend all meetings of the Alley and all meetings of the Board of Directors. The Treasurer shall have custody of the Alley funds and securities, keep full and accurate accounts of receipts and disbursements in books belonging to the Alley, and shall deposit all receipts as designated by the Board of Directors. The Treasurer shall provide the Board and Alley membership with monthly, quarterly and annual financial reports at Alley meetings, and shall cause all Internal Revenue Service tax and other reports as required by law to be timely filed. The treasurer shall perform all other duties incident to such office.

Section 6 – Member-at-Large:

The Member-at-Large shall be subject to the supervision and direction of the President and/or Board of Directors and shall perform such duties as may, from time to time, be prescribed or delegated to the Member-at-Large by the President. The Member-at-Large shall attend all meetings of the Alley and all meetings of the Board of Directors.

Section 7 – Elected Member:

The Elected Member shall be subject to the supervision and direction of the President and/or Board of Directors. The Elected Member shall attend all meetings of the Alley and all meetings of the Board of Directors, and be the Alley's gig coordinator. All proposed Alley gigs will be submitted to the Elected Member to be compiled into a monthly gig list and made available at monthly Alley meetings and for publication. Gigs not reported in such a manner will not be considered Alley functions and will not be sanctioned by the Alley unless special permission is granted by the Board of Directors.

Section 8 – Membership Director:

The Membership Director shall be subject to the supervision and direction of the President and/or the Board of Directors and be bonded at Alley expense. The Membership Director shall attend all meetings of the Alley and all meetings of the Board of Directors. The Membership Director shall be responsible for the membership records of the Alley and other membership duties as designated by the Board of Directors. The Membership Director shall collect Alley membership dues, and any assessments thereon, and in a timely and safeguarded manner provide such receipts to the Treasurer.

Section 9 – Nomination:

At least one (1) month prior to the annual business meeting, a nomination committee shall be appointed by the President to solicit and nominate members for office on the Board of Directors. The committee shall present a slate of nominees to the Board of Directors prior to the election for their approval. Members in attendance who are eligible to hold office may be nominated from the floor during the election.

Section 10 – Election:

All officers shall be elected by a majority vote of the membership in good standing and eligible to vote, who are present and cast a valid ballot at the annual business meeting or at a special election. Only those ballots cast whose voting intent can be readily ascertained will be counted. In the event of a tie vote, subsequent voting for such officer shall continue until a winner is determined.

Section 11 – Special Elections:

In the event of a board vacancy, the board may schedule a special election to occur at any regular Alley meeting provided thirty (30) days written notice is made available to the membership stating the specific purpose of the Special Election.

ARTICLE V - AMENDMENTS

The By-Laws of the Alley shall be amended only by a two-thirds vote of the members in good standing who are in attendance in person at the annual business meeting or regular monthly meeting authorized by the Board of Directors, provided fifteen (15) days written notice is given stating the specific amendments to the membership.

ARTICLE VI - MISCELLANEOUS

Section 1 – Contracts, Checks, Notes, Etc.:

6.1.1. All contracts and agreements, and all drafts, notes, bonds, bills of exchange, and orders of payment of money shall, unless otherwise required by law or permitted by these By-Laws, be signed by the President and the Treasurer.

6.1.2. Checks for amounts of \$500 or less shall require only the signature of either the Treasurer or the President. Any single expenditure in excess of \$500 shall be approved specifically by the Board of Directors.

Section 2 – Books and Records:

Correct and complete books and records of transactions and minutes of the proceedings of the Board of Directors, Alley monthly meetings and special meetings of both, shall be kept by the Alley. The President of the Alley shall cause to be prepared annually a full and correct statement of the affairs of the Alley, including a balance sheet and financial statement of operations for the preceding fiscal year.

Section 3 – Income Taxes:

The Alley, as required by law, shall file an annual income tax report. All income tax reports shall be prepared by a non-Alley member accountant and shall be paid for from the Alley's general treasury. All income tax reports shall be available for review by any Alley member upon written request to the Board of Directors.

Section 4 – Financial Review:

Any member of the Alley, by notifying the Board of Directors in writing, may call for a financial review of the Alley's books and records. Any such financial review shall be conducted by a non-Alley member accountant and shall be paid for from the Alley's general treasury. If more than one review is requested in any calendar year by the same member or group of members, all subsequent reviews shall be paid for by the member or group of members requesting same.

Section 5 – Protection of Officers:

Each officer, director, agent and representative of the Alley, so long as such person is acting within the scope of their duties or representation of the Alley, shall be indemnified by the Alley for expenses reasonably incurred by them in connection with any action, suit, or proceeding to which they may become a party by reason of their being or having been an officer, director, agent or representative of the Alley, except in relation to matters as to which they shall be finally adjudged in such action, suit or proceeding to have been derelict in the performance of their duty as an officer, director, agent or representative; and the foregoing right to indemnification shall not be exclusive of other rights to which they may be entitled.

Section 6 – Compensation:

No member of the Alley or Board of Directors shall receive any compensation for serving as an officer or member of the Board of Directors of the Alley nor shall any member of the board profit, directly or indirectly, through gift, hire, employment, agency with others, or in any other manner while serving on the board of directors; provided, however, that any expenses incurred as a result of performing the duties of any officer or member of the Board shall be reimbursable only with the approval by majority vote of the board members present at a duly constituted board meeting. Provided further that, if sufficient Alley general treasury funds

member of the board may be paid on the member's behalf as a courtesy during such board members' terms in office. Such dues and assessments, if any, for Alley membership of the members of the board likewise may be waived.

Section 7 – Annual Business Meeting:

The annual business meeting shall be the regular monthly meeting for the month of November, unless designated otherwise by the Board of Directors with adequate notice to the Alley's membership.

Section 8 – Meetings:

All meetings of the membership will be held on the second Thursday of each month, except when it falls on a holiday, in which event, the Board of Directors will designate the date. The place of the meeting will be designated by the Board of Directors.

Section 9: Clown Name Protection:

All Full, Family and Junior members of the Alley who are also current members of COAI shall have their own distinct primary clown name. No two (2) members (regardless of membership type or distinction) may have the same clown name, or names which sound alike or which are similarly spelled. The Board of Directors shall have the right of final approval of all members' clown names.

Section 10: Retirement of Clown Names:

All deceased Full, Family and Junior members of the Alley, whose alley membership is current and who are also current members of COAI, shall have their respective primary clown name retired for a period of five (5) years. The Clown name "Whispers" and all deceased Whispers Award recipients' respective primary clown names shall be permanently retired.

ARTICLE VII – PERPETUAL FUND

Section 1: Perpetual Fund:

The Perpetual Fund was established in 1988 to provide for the Alley's operating expenses. No withdrawals can be made from the principal of the Perpetual Fund. Income generated by the Perpetual Fund may be used for operating expenses of the Alley. The investment and management of the Perpetual Fund shall be at the discretion of the Board of Directors. All investments of the Perpetual Fund shall be restricted to federally insured investments only and to a maximum period of three (3) years.

Section 2: Educational Fund:

The Educational Fund was established in 1995 to provide for local, Alley sponsored, educational activities and opportunities. Withdrawals can be made from this account only upon majority vote of the current Board of Directors for appropriate educational activities and/or opportunities. Appropriate educational activities and/or opportunities are to benefit the membership of the Alley and are to be provided to the membership of the Alley at reduced or no cost. The Educational Fund shall be maintained in an interest-bearing account and will be administered under the terms of Article IV, Section 5 of these Bylaws. The Treasurer shall make quarterly reports on the activity of the Educational Fund.

This shall serve as certification that the foregoing revision of the By-Laws of Cheerful Clown Alley #166, as previously last amended on November 2005, after proper published notice to Alley membership and open discussion thereof before the membership, was voted on and approved by a majority vote of eligible voting Alley members present at the Alley's annual general membership meeting held on November 12, 2009, in Houston, Texas.

Dated: June 7, 2010

By: *Mary N. Morris*

Printed Name: Mary N. Morris

Title: President 2008 & 2009
Cheerful Clown Alley #166