

BYLAWS
OF
LITERACY ACTION NETWORK

ARTICLE I
NAME OF ORGANIZATION

The Name of this organization is Literacy Action Network.

ARTICLE II
PURPOSE

The purpose of Literacy Action Network is to develop, improve, and expand adult literacy services by coordinating legislative advocacy, fostering statewide collaboration, and supporting quality Adult Basic Education.

ARTICLE III
LOCATION

The principal office of Literacy Action Network, at which the general business of the organization will be transacted and where the records of the organization will be kept, shall be at such location in the metropolitan area of Minneapolis-St. Paul, State of Minnesota, as may be fixed from time to time by the Board of Directors of Literacy Action Network.

ARTICLE IV
MEMBERSHIP

Section 1. The membership of Literacy Action Network shall consist of individuals which make an annual financial contribution to the support of Literacy Action Network and which meet other criteria, both to be established by the Board of Directors. Membership shall be voluntary.

Section 2. The Board of Directors shall set both the fees and the classifications of membership of Literacy Action Network.

ARTICLE V
MEETING OF THE BOARD

Section 1. Place of Meetings. Meetings of the Board shall be held at the principal office of Literacy Action Network or at such other suitable places as may be designated by the Board of Directors.

Section 2. Annual Meetings. The annual meetings of Literacy Action Network shall be held at a place and time that shall be determined by the Board of Directors. The Board of Directors shall set the specific date for the annual meeting no later than December. The Directors shall transact such business of Literacy Action Network as may properly come before them.

Section 3. Special Meetings. Special meetings of the Board may be called by the President of the Board of Directors, or shall be called by the President as directed by a resolution adopted by the Boards of Directors or upon written request of at least three Directors. The notice of any special meeting shall state the time, the place, and the purpose of such meeting. No business shall be transacted at the special meeting except as stipulated in the notice.

Section 4. Presiding Officer. The President of the Board of Directors of Literacy Action Network shall be the presiding officer of all meetings of the Board. In the absence of the President, the President-Elect shall preside. In the absence of both persons, the members present may elect a President Pro Tem for that one meeting.

Section 5. Notice of Meetings. A notice of each annual, regular, or special meeting shall be sent, by mail, stating the purpose thereof, as well as the time and place where the meeting is to be held. The notice shall be sent to each delegate at the latest address appearing on the records at the Literacy Action Network offices. Notices of annual, regular and special meetings shall be sent at least five (5) working days prior to such meeting.

Section 6. Quorum. Except as otherwise provided by statute or these by-laws, the presence, at any time, of one third of delegates of record shall constitute a quorum.

Section 7. Adjourned Meetings. If any meetings of the Board cannot be organized because a quorum is not present, the voting members who are present may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 8. Voting. Except as otherwise provided by law, each voting delegate shall be entitled to cast one (1) vote on each question. The vote of the majority of those delegates present shall decide any questions brought before the meeting, unless the question is one upon which, by law, or by these

by-laws, a different vote is required, in which case such express provisions shall govern and control. No voting by proxy shall be permitted at meetings of the Board.

Section 9. Members List for Meetings. After fixing a record date for notice of and voting at a meeting, which shall not be more than sixty (60) days before the meeting, the Board of Directors shall direct the Secretary to prepare an alphabetical list of the names and addresses of all members and delegates who are entitled to notice and to vote. Said list shall be available for inspection by voting delegates, beginning two working days after the meeting notice is given and continuing through the meeting, at the principal office of Literacy Action Network or at a reasonable place identified in the meeting notice. The membership and delegate list shall also be available at the meeting.

Section 10. Electronic Participation It is recognized that Directors may not be able to physically attend all meetings of the Board. It is further recognized that advances in technology have made it possible for Directors to interact with each other from remote locations using speaker phones/teleconferencing and/or videoconferencing and/or future technological means. In light of these advances, provided all conditions contained in this Section 10 are met, Directors may participate in meetings of the Board from a remote location by utilizing adequate technological means. Directors participating in meetings of the Board from a remote location will be considered present and will be entitled to participate in the meeting of the Board, if the following conditions are met:

- a. Directors participating from a remote location must be able to hear other Directors and members of the public who are recognized by the Board during public comment.
- b. The public and other Directors must be able to hear the Director(s) who is participating from a remote location.
- c. The determination of whether the Director(s) wishing to participate from a remote location will be considered present and allowed to participate will be left to the sole discretion of the President of the Board of Directors. In the event the President of the Board of Directors is absent, the line of succession for presiding officer of the Board of Directors described in Article V, Section 4 will be utilized.
- d. Each Director participating from a remote location may be requested by any other Director who is physically present at the meeting of the Board to declare that the Director participating from a remote location is participating prior to any motion for each item on the agenda of the meeting of the Board.
- e. When any Director is participating in a meeting of the Board from a remote location, all votes must be taken by roll call.

f. If the technological access of a Director participating from a remote location fails during discussion preceding any action item being considered by the Board, such failure will result in termination of the Director's participation in the meeting of the Board on that topic and subsequent topics at that particular meeting of the Board and precludes further participation in voting at that meeting of the Board on that topic or subsequent topics unless and until technological access is re-established.

g. If technological access is reestablished, the Director(s) participating from a remote location may rejoin discussion and participate and act upon subsequent action items. The Board of Directors is not obligated to discuss, reconsider or take renewed or additional action on items that were missed while the technological access of the Director(s) participating from a remote location was malfunctioning or otherwise inoperable.

h. If, for any reason, the technological access of a Director(s) participating from a remote location, malfunctions or becomes otherwise inoperable before the adjournment of the meeting of the Board, the meeting shall continue. Should the situation described in this Section 10 (h) result in the loss of a quorum, the meeting of the Board will be immediately adjourned and rescheduled and noticed as required by these bylaws.

i. In order for a Director to be allowed to participate from a remote location, the Director wishing to participate from a remote location must provide sufficient notice to the President of the Board so that the Director wishing to participate from a remote location can be provided with all documents and exhibits provided to all other Directors. In the alternative, the Director wishing to participate from a remote location must have technological capability to send and receive documents and exhibits during the meeting of the Board so that the Director participating from a remote location has access to the same documents and exhibits to which other Directors attending physically have access. A Director participating from a remote location who either has not received the documents and exhibits provided to other Directors and does not have the technological capacity to receive the documents and exhibits either before or during the meeting of the Board is not allowed to participate in the meeting of the Board. If the circumstances of this Section 10 (i) results in the loss of a quorum, the meeting of the Board will either not be called to order or will be adjourned as applicable and rescheduled and noticed as required by these bylaws.

ARTICLE VI
BOARD OF DIRECTORS

Section 1. Number and Qualifications. The Board of Directors of Literacy Action Network shall be composed of not less than six (6) members or more than (25) members. The Board of Directors shall be composed of the Officers of Literacy Action Network, as well as ex-officio members including the chairs/co-chairs of the Legislative, Membership/Marketing, Volunteer Issues, Professional Issues, and Summer Institute Planning committees. Non-voting ex-officio members may include representatives from the fiscal agent and from the Minnesota Department of Education.

Section 2. Governing Powers. The Board of Directors shall have all the powers and duties necessary or appropriate for the overall direction of Literacy Action Network. They may engage in such acts and do such things as are not prohibited by a law or these bylaws.

Section 3. Voting. Each Board of Directors member may exercise one vote, at any regular or special meeting of the Board of Directors. Ex-officio members may not vote.

Section 3. Election and Term of Office. Directors shall be elected annually by the membership. Directors must be current members of Literacy Action Network. The President and the Treasurer shall be elected for a term of three (3) years and the remaining board members for a term of (2) years. The President's term shall be defined as the following: President-Elect in year one, President in year two and year three. Election shall be so arranged that the president elect is elected in year two of the current presidents's term. Election shall be so arranged that approximately one-third of the total number of Directors are elected each year. Directors, other than the President and Treasurer shall be allowed to stand for election for a maximum of three (3) consecutive two-year terms. An Officer may consecutively serve a combination of two two-year terms as a Committee Chair and a three-year term as President, in any order. An election to fill an unexpired term shall not be so counted. The Directors shall hold office until their successors have been elected and qualified. Unless elected to fill a vacancy, the term of office of a Director shall commence on January 1 following the respective election by the Board. Members would be eligible for re-election to the board after a one year absence.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Board shall be filled by a vote of the majority of the remaining Directors. Each person so elected shall be a Director until that person or a successor is elected by the members at the next annual meeting.

Section 5. Removal of Directors. a. At any annual or duly called special meeting of the Board, any one or more of the Directors may be removed without cause by a vote of the majority of the entire

voting delegates of record. A successive Director may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed shall be given at least thirty (30) days notice of the intent to take such action and an opportunity to be heard at this meeting.

Section 6. Compensation. No compensation shall be paid to directors for their services to Literacy Action Network. Directors may be reimbursed for actual expenses incurred by them in the performance of special duties.

Section 7. Annual Meetings. The last meeting of the year shall be the annual meeting of the Board of Directors. It shall be held for the purpose of approving business that may be properly brought before it. The time and place of this annual meeting of the Board shall be conveyed to each Director at least fifteen (15) working days in advance of the meeting.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. The Board of Directors shall meet at least eight (8) times each year.

Section 9. Special Meetings of the Board. Special meetings of the Board of Directors may be called by the President of the Board upon at least five (5) working days notice to each Director. This notice shall be given personally or by e-mail, mail, telephone or telegraph. The notice shall state the place, time and the purpose of the meeting. A special meeting shall be called in like manner and in like notice upon the written request of at least three Directors.

Section 10. Quorum. At all meetings of the Board of Directors, one third of Directors of record shall constitute a quorum for the transaction of all authorized business. The acts of the majority of the Directors present at a meeting at which a quorum exists shall be the acts of the Board of Directors, except where a larger number is required by law or these by-laws.

Section 11. Proxies. No voting by proxy shall be permitted in the meetings of the Board of Directors of Literacy Action Network.

Section 12. Robert's Rules of Order will be the authority for all questions and procedures at any meetings of Literacy Action Network.

ARTICLE VII OFFICERS

Section 1. Designation. Principal Officers of Literacy Action Network shall be a President, a President-Elect, and a Treasurer. At the discretion of the Board of Directors, other Officers may be elected with duties that the Board shall prescribe.

Section 2. Election of Officers. The Officers shall be members of the Board and be elected annually by the membership. Unless sooner removed by the Board, the Officers, with the exception of the Treasurer, shall serve for a term of one (1) year, or until their successors are elected. The Treasurer and President shall serve a three-year term. Officers shall serve from January 1 through December 31. A vacancy in any office may be filled by a majority vote of the Board of Directors for the unexpired portion of the term. The Board of Directors shall also have the authority to appoint such temporary or acting Officers as may be necessary during the temporary absence or disability of the regular Officers.

Section 3. Removal. Any Officer may be removed with or without cause by the Board of Directors by affirmative vote of a majority of all the Board members. The matter of removal may be acted upon at any meeting of the Board, provided that notice of intention to consider said removal has been given to each Board member and to the Officer affected at least thirty (30) days previously.

Section 4. President. The President shall be the principal officer of the corporation. Subject to the direction and control of the Board, the President shall see that the resolutions and directives of the Board are carried into effect, and, in general, shall discharge all duties relevant to the office of President and as prescribed by the Board. The President shall preside at all meetings of the Board of Directors and at all meetings of the Board, except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation. The President may execute for the corporation all contracts, deeds, conveyances, mortgages, bonds, and other instruments in writing that may be required or authorized by the Board of Directors. The President shall appoint members to stand committees, establish and appoint members to other committees. The President will be a voting ex-officio member of all Board committees

Section 5. President-Elect. It will be the duty of the President-Elect to act in the absence or disability of the President and to perform such duties as may be assigned to him or her by the President. The President-Elect shall succeed to the presidency at the end of the President's term of office.

Section 7. Treasurer. The Treasurer shall be responsible for preparation of the proposed annual budget and shall keep (or cause to be kept) records belonging to Literacy Action Network. The

Treasurer will present to the Membership and to the Board of Directors at their respective annual meetings a report of the finances of Literacy Action Network and will from time to time make such other reports to the Board of Directors as it may require. The Treasurer shall chair the meetings of the Finance Committee. The Treasurer shall serve a three-year term.

Section 8. Any officer of Literacy Action Network, in addition to powers conferred on him or her by these bylaws will have such additional powers and perform such additional duties as may be prescribed from time to time by the Board of Directors.

ARTICLE VIII COMMITTEES

Section 1. Authority. The Board of Directors may act by and through such committees as may be specified in resolutions adopted by a majority of the members of the Board of Directors. Each such committee shall have such duties and responsibilities as are granted to it from time to time by the Board of Directors. Each such committee shall at all times be subject to the control and direction of the Board of Directors. Committee members need not be Directors.

Section 2. Standing Committees. The Board of Directors may, by resolution passed by a majority of the Board as a whole, designate one or more standing committees. The President shall appoint all members of the standing committees and designate a Chair for each based on election by full membership. The President has the authority to appoint a committee Chair in the event of a seat vacancy. Members of these committees must be Directors or members of Literacy Action Network. The Chairs of the standing committees shall be elected members of the Board of Directors. Any committee so established shall have and may exercise such power as provided in the resolution which established the committee. Dissolution of any such standing committee shall be accomplished by a resolution of a majority of the Board as a whole.

Section 3. Types of Committees. In general the types of standing committees may include, but not be restricted to Legislation, Membership/Marketing, Professional Issues, Volunteer Issues, Summer Institute Planning, and Financial. Committee Chairs/Co-Chairs are voting members of the Board of Directors.

Section 4. Meetings. Meetings of the individual committees may be held at such time and place as may be determined by a majority of the committee, by the President, or by the Board of Directors. Notice of meetings shall be given to the committee's members at least five (5) working days in advance of the meeting unless all members agree to a shorter notification. A majority of the committee's membership shall constitute a quorum.

Section 5. Other Committees. Other committees may be established by the President of the Board of Directors or by a motion passed in an appropriately constituted meeting of the Board of Directors. Non-members of the Board of Directors may serve on other committees.

ARTICLE IX FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of Literacy Action Network shall begin on the first day of July in each year.

Section 2. Books and Accounts. Books and accounts of Literacy Action Network shall be kept under the direction of the Treasurer of Literacy Action Network.

Section 3. Execution of Literacy Action Network's Documents. The Board of Directors may authorize any Officer or Officer's agent or agents to enter into any contract or to execute and deliver any instrument in the name of and on behalf of Literacy Action Network. Such authority may be general or confined to specific instances. These authorizations are in addition to those authorized by these bylaws.

Section 4. Loans. No loans shall be contracted on behalf of Literacy Action Network nor shall evidences of indebtedness be issued in its name unless authorized by resolution of the Board of Directors. Such authority shall be general or confined to specific instances.

Section 5. Deposits. All funds of Literacy Action Network not otherwise employed shall be deposited from time to time to the credit of Literacy Action Network in such bank or banks or other depositories as the Board of Directors may elect.

Section 6. Conflict of Interest. The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

a) Definitions. An interested person, for purposes of this conflict of interest policy is any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below:

1) A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,

b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or

c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

The fact that one of the interests described above has occurred does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances that a conflict exists precludes board action. As provided in Article IX, section 6, subsection (b), part (2), the board shall determine whether a conflict exists.

b) The Board shall not enter into any contract or transaction with (a) one or more of its directors, (b) a director of a related organization or (c) an organization in or of which a director of Literacy Action Network is a director, officer or legal representative, or in some other way has a material financial interest unless:

1) Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2) Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed

and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3) Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

- b. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4) Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

The interested Director may be present for discussion to answer questions, but may not advocate for the action to be taken, cannot be included to establish a quorum for the meeting, and must leave the room while a vote is taken. The minutes of all actions taken on such matters shall clearly reflect that these requirements have been met.

- c) Compensation. This subsection shall govern when compensation from this Organization is being determined.

1) A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

2) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

3) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 7. Checks, Drafts, Etc. All checks, drafts and other orders for payment of funds will be signed by such Officers or such other persons as the Board of Directors shall designate in its approved financial policies.

Section 8. Indemnity. Literacy Action Network shall indemnify and hold harmless any Director, Officer, or employee from any suit, damage, claim, judgment or liability arising out of, or asserted to arise out of conduct of such person in his or her capacity as a Director, Officer, or employee except in cases involving willful misconduct. Indemnification provided under this section shall comply with and follow the requirements as provided by statute. Literacy Action Network shall have the power to purchase or procure insurance for such purposes.

Section 9. Examination by Directors. Every Director of Literacy Action Network shall have a right to examine, in person or by agent or attorney, at any reasonable time or times, and at the place or places where usually kept, all books and records of Literacy Action Network and make extracts or copies therefrom.

ARTICLE X EXECUTIVE DIRECTOR

Section 1. Designation. The Board of Directors may select and employ an Executive Director.

Section 2. Duties. The Executive Director shall be the chief executive officer of the corporation. As such, the chief executive officer shall be responsible for providing professional advice

and assistance to the Board of Directors and shall administer the work delegated to the staff; shall hire and release staff members; and shall have such other powers to perform other duties as may be assigned by the Board of Directors.

Section 3. Other Staff. The Executive Director may hire and discharge such employed staff as may be necessary to support the organization. The employed staff shall report directly to and be accountable to the Executive Director or his or her designates.

Section 4. Checks, Drafts, Petty Cash Fund. The Executive Director may be authorized to provide one of the signatures on checks, drafts, or other orders of payment of funds for Literacy Action Network. He or she may also be authorized to administer a Petty Cash Fund, the size of which will be designated by the Board of Directors.

ARTICLE XI
MISCELLANEOUS

Section 1. Amendments. Articles and By-laws shall be amended as provided by statute.