

(A Delaware Corporation)
Clan Buchanan Society International, Inc.
CONSTITUTION and BY-LAWS

ARTICLE I - NAME

The name of this organization shall be the CLAN BUCHANAN SOCIETY INTERNATIONAL, INC. hereinafter referred to as the Society.

ARTICLE II - PURPOSE

The purpose of this organization is to foster and promote understanding and good fellowship among descendants of Scots in America; to study, preserve, and promote the culture, customs, and traditions of the people of Scotland and the Isles especially with regard to the Clan Buchanan: to foster and promote the Society by initiating goals and objectives consistent with our heritage and the desires of the membership.

SECTION 1: The Society shall seek to promote this purpose by recruiting new members at various "Highlands" gatherings throughout North America and Announcements in Scottish publications and newsletters.

SECTION 2: The Society shall further seek to promote its purpose by making contributions to organizations deemed worthy by the ruling body of the Society, so long as such organizations shall qualify under Section 501 of the United States Internal Revenue Code.

SECTION 3: The Society shall further seek to promote its purpose by the establishment of scholarships and awards in keeping with its purpose.

ARTICLE III - ADDRESS

SECTION 1: The principle address of the Society shall be in the State of Delaware c/o Joe, 705 South State Street, Dover, DE 19901

SECTION 2: The permanent business address of the Society shall be Clan Buchanan Society International, Inc., CBSI , c/o Mr. Graeme Watson, 128 Oak Haven Drive, Statesville, NC 28625.. Such address may be changed by the Executive Council as it finds necessary.

ARTICLE IV - RULING BODY

The Society shall be managed by an Executive Council which shall consist of all elected national officers and others as set forth in the Bylaws of the Society, hereinafter referred to as the Council

ARTICLE V - INDEMNIFICATION

To the full extent permitted by law, each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, wherever brought, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the society or that he a she is or was serving at the specific request of the Executive council of the Society as a director, officer, employee or agent of another society, corporation, partnership, joint venture, trust, or other enterprise, shall be indemnified by the Society against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or ha in connection with such action, suit, or proceeding, provided, however, that the indemnification with respect to a person who is or was serving as a director, officer, employee, or agent of another society, corporation, partnership, joint venture, trust, or agent of another enterprise shall apply only to the extent such person is not indemnified by such other society, corporation, partnership, joint venture, trust, or other enterprise, and, provided further, that said person: (a) Acted in good faith, (b) Received no improper or illegal personal benefit, and (c) Reasonably believed that his or her actions and conduct were in the best interest of the Society, or that said person's actions and conduct were not opposed to the best interests of the Society.

The indemnification provided by this section shall continue as to a person who has ceased to be a director, officer, employee, agent, or trustee and shall inure to the benefit of the heirs, executors and administrators of such person and shall apply whether or not the claim against such person arises out of matters occurring before the adoption of this section.

ARTICLE VI - ADMISSIONS

The terms of admission, rights and duties of members, officers, and council; manner of filling vacancies, time and place of meetings and all matters relating to the governing of the society shall be regulated by the Bylaws and lawfully adopted resolutions.

ARTICLE VII - POWERS

SECTION 1: The Society shall issue no capital stock, but may issue non-interest bearing bonds to its members, in such denominations and for such periods as the council shall determine. Bonds may be redeemed at maturity.

SECTION 2: The Society shall be capable in Law, under Section 501 United States Internal Revenue Code, to receive, hold, lease, sell and otherwise dispose of all manner of monies and property e.g., real, personal or mixed, that may be acquired or come to it in any manner.

ARTICLE VIII- AMENDMENTS

The Bylaws of the Society may be amended by a three-fourths majority vote of the general membership who cast ballots.

SECTION 1: Proposed amendment(s) to the Bylaws of this Society shall be provided in writing to the general membership, who shall return their ballots to the Chairman of the Bylaws Committee within 30 days of the mailing date.

SECTION 2: Amendments to the Bylaws may be proposed by the Bylaws Committee, through the Executive Council.

SECTION 3: Amendment to the Bylaws of this Society may be proposed to the General Membership through the Executive Council by a petition signed by not less than one (1) percent of the members in good standing.

ARTICLE IX - EXISTENCE & DISSOLUTION

The Society shall exist until dissolved as hereinafter set forth. In the event of dissolution, all assets and property of the Society shall be distributed to organizations at the selection of the Council so long as such organizations shall qualify under Section 501 of the United States Internal Revenue Code. This article may not be amended.

BY-LAWS

ARTICLE I - PROCEDURE

This Society (whenever applicable) shall conduct its business in accordance with parliamentary procedure as set forth in the current edition of Robert's Rules of Order unless otherwise provided for by the Bylaws or lawfully adopted resolutions of this Society. All references to a masculine gender shall apply equally to the feminine gender.

ARTICLE II - MEMBERSHIP

Regular membership in the Society is limited to men and women who are direct lineal descendants of a Scot bearing the surname "Buchanan", or who can trace his/her descent from a Scot bearing the surname of a sept which is recognized by the Society.

SECTION 1: MEMBERSHIP CATEGORIES

(A) **INDIVIDUAL:** Members shall be subject to payment of dues; shall have one vote; shall have the right to hold elective and/or appointive office; and shall have the privilege of attending all functions of the Society. Individual members must be eighteen years of age.

(B) **FAMILY:** (husband, wife and children under eighteen years of age): Members shall be subject to payment of dues (except children under eighteen years of age); the husband and wife shall each have one vote; shall have the right to hold elective and appointive offices (except the minor children); and shall have the privilege of attending all functions of the Society.

(C) **SPONSOR:**

(1) Individual Sponsors shall have the same rights and privileges as the Individual member and shall pay dues at an amount determined by the Executive Council to cover a period of four years.

(2) Family Sponsors shall have the same rights and privileges as the Family members and shall pay dues at an amount determined by the Executive Council to cover a period of four years.

(D) **LIFE:**

(1) Individual Life members shall have the same rights and privileges as the individual member but shall pay dues only once at a rate to be determined by the Executive Council.

(2) Family Life members shall have the same rights and privileges as Family members (Family Life membership includes members and spouse) but shall pay dues only once at a rate to be determined by the Executive Council.

(E) **HONORED LIFE:** The Executive Council may recommend to the membership from time to time members who have, over a period of years, performed outstanding service to the Society. Upon such recommendation and with the approval of the membership at the annual meeting, such persons will be awarded Honored Life membership in the Society. The payment of annual dues shall cease upon being elected to the position of Honored Life Member.

SECTION 2: AFFILIATE MEMBER

(A) Membership in the Society may be granted, with the approval of the Executive Council, to any person over eighteen years of age who expresses a strong interest in the Clan Buchanan, and who does not qualify for full membership under this Article. Affiliate members shall pay the same dues as full members and shall have the same voting rights as full members.

(1) Affiliate members may not serve as elected officers of the Society.

(2) Affiliate members of the Society may hold appointed offices in the Society.

(3) Individuals under the age of eighteen may be allowed to join the Society if they have the permission and written consent of their parent(s) or legal guardian(s).

The consent form shall read:

I, (name of the parent or legal guardian) am the ____parent____legal guardian (check appropriate box) of name of the under age applicant, and hereby give my consent to ____him____her (check appropriate box) to join the Clan Buchanan Society International, Inc. as an affiliate member.

SECTION 3: UNQUALIFIED SPOUSAL MEMBERSHIP

- (A) In the event of the death of; divorce from or annulment of the marriage of a qualified member and the surviving unqualified spouse, the unqualified spouse may continue his or her membership in the Society. However, if the families' membership was not a "Life Membership" the non-qualified spouse may not apply for Life Membership.
- (B) If the unqualified spouse or new spouse does not qualify for membership in their own right. The new spouse and children of that marriage may be recognized as members only so long as the member spouse is alive and a member in good standing.

SECTION 4: HONORARY MEMBERSHIP

The Executive Council from time to time may propose to the membership an Honorary Membership for such individual who, or organizations or society which, have done outstanding work in the promotion and preservation of our common Scottish heritage in accordance with the purpose of the Society. Upon approval of the membership, such individuals, or organizations or society shall become hon-orary members in this Society. Honorary membership is a nonvoting, non-dues-paying, non-office-holding position.

SECTION 5: MEMBERSHIP MATERIALS

Each member of this Society shall be provided with a membership card and each membership category shall be provided one copy of the Bylaws of the Society upon request. Such requests shall be in writing and directed to the membership secretary.

SECTION 6: TERMINATION OF MEMBERSHIP

Termination of membership in this Society may occur for the following reasons:

- (A) Resignation
- (B) Non-payment of dues
- (C) Violation of trust
- (D) Any unlawful act that could prove detrimental to the Society.

SECTION 7: REMOVAL

- (A) Any member may have his or her membership terminated by the Executive Council when, in its judgment it would serve the best interest of the Society.
- (B) The member involved shall be given an opportunity to be present and be heard at the meeting at which his or her removal considered.
- (C) If no defense is presented, or if an extension of time for the hearing is not requested in writing, the complaint will be considered to be accepted as true by the charged.
- (D) Upon acceptance plea of guilty, overt or implied, the defendant shall comply with the directives set forth by the council. When the conditions set by the Council are met. the Council will close the case and seal the records permanently. Such records will be kept by the Secretary.
- (E) An appeal of the Council's decision may be made at the next Annual General Meeting.

SECTION 8: MEMBERSHIP APPLICATION REVIEW

Membership applications and renewals may be reviewed by the Executive Council and/or Membership Committee prior to final acceptance. If the application is rejected, the applicant will be notified by letter stating the reason for denial of membership.

SECTION 9: PROPERTY INTEREST

In the event of termination of membership for any reason, said member's interest in the property of the Society shall cease.

SECTION 10: MEMBERSHIP REJECTION

The Executive Council may refuse membership to any applicant when, in its judgment, the best interests of the Society would be served by such an action.

ARTICLE III - DUES

The dues payable by members of the Society shall be set by the Executive Council. The new dues shall not become effective until after the next annual meeting of the general membership. Any dues fixed by the Executive Council may be changed by a two thirds majority of the members voting at the next general membership meeting.

ARTICLE IV - OFFICERS

SECTION 1: ELECTED OFFICERS

The elected officers of the Society shall be:

- (A) President -Ceann Suidhe (Head)
- (B) First Vice President -Tannist (Heir)
- (C) Second Vice President-Am Fear Brataich (Bannerman)
- (D) Secretary - Am Marischal Tighe (Steward)
- (E) Treasurer - Am Fear Sporain (Keeper of the Purse)
- (F) Membership Secretary - An Seanachaid (Registrar)

Officers may hold only one elected office at a time.

SECTION 2: EXECUTIVE COUNCIL

All elected officers and the immediate past president of the Society shall be voting members of the Executive Council. The immediate past president of the society shall serve as a member of the Executive Council for one term (2 years).

SECTION 3: VACANCIES

In the event of a vacancy in the office of president by resignation, death or otherwise, the First Vice President shall accede to the office of President.

- (A) In the event of a vacancy in the offices of President and First Vice President at the same time, the order of succession of the office of President shall be the order of listing as set forth in Section 1 of this Article.
- (B) In the event of a vacancy in any other office, for any reason, the President shall appoint a qualified society member to fill such vacancy for the remainder of the term thereof.

SECTION 4: TERM LENGTHS

All elected officers shall serve a term of two years and may be re-elected to the same office for two additional terms. The maximum number of years an officer may serve in the same office without a break of at least one two-year term is six years. Elected officers will serve until succeeding officers are installed, which will occur at the Annual General Meeting in odd numbered years.

The Executive Council positions of Treasurer and Membership Secretary are exempt from the three consecutive term rule. Individuals may serve in those offices as long as their position is not successfully challenged and they are willing to continue to serve.

This section may not prohibit any elected officer from being elected to another office.

SECTION 5: OFFICER REMOVAL

An elected officer may be removed from office pursuant to the provisions of Article II, Section 6 of these Bylaws and/or for failure to fulfill the duties of said office and/or behavior that is detrimental to the welfare of the Society. The procedure for the removal of an elected officer shall be as follows.

Any member of the Society may submit to the President a complaint or charge(s) against any elected officer, such complaint must be in the form of a petition and must be signed by at least one percent of the members in good standing of the Society. The President, upon receiving a valid petition against any officer, shall notify said officer of the complaint by registered mail, return receipt requested, and provide him with a copy of same within a period of ten days of receipt of the complaint

- (A) In the event that the officer being charged is the President, the petition shall be sent to the Vice President.
- (B) The charged officer shall have fifteen days (15) to submit to the President (or Vice President) in writing, a defense against any and all charges. If no defense is present, the complaint will be considered to be true.
- (C) Upon receipt of a plea of guilty, overt or implied, the defendant shall comply with the directions set forth by the Council. When the conditions set by the Council are met, the Council will close the case and permanently seal the records. Such records will be kept by the Secretary.
- (D) If the hearing proceeds, the President or Vice President, upon receipt of the charged officer's written defense, shall, within a period of five (5) days, submit a copy of the "petition of complaint" and the charged officer's defense to the President or Vice President for publication to the membership of the Society.
- (E) The President or Vice President with the publication of the complaint and the defense shall instruct the membership to vote in one of three ways:
 - (1) Guilty, removal from office
 - (2) Guilty, censure (not removal from office).
 - (3) Not Guilty
- (F) The votes of the membership shall be sent to the Society Chaplain, or, in his absence, such other official as may be appointed for tabulation. All votes are to be mailed within ten days of publication. The Chaplain shall report his findings on the vote to the Council within five (5) days of the final tabulation. The category which receives the largest number of votes shall be considered the Will of the Society and the Executive Council shall act accordingly.

ARTICLE V

DUTIES OF ELECTED OFFICERS

SECTION 1: THE PRESIDENT SHALL:

- (A) Preside at all meetings of the Society and Executive Council.
- (B) Appoint and remove all heads of committees, appointed officers and commissioners.
- (C) Represent or appoint an officer or qualified members to represent the Society at public functions.
- (D) Be an ex-officio member of all committees, with the power to vote on any question before a committee.
- (E) Fulfill all the requirements placed upon him by the Bylaws of the Society.

SECTION 2: THE FIRST VICE PRESIDENT SHALL:

- (A) Perform the duties of the President in his absence, or if the President is incapacitated.
- (B) Serve the unexpired term of the President, should that office be vacated for any reason whatsoever.
- (C) Assist the President in his duties.
- (D) Fulfill all requirements and duties placed upon him/her by the Bylaws of the Society.

SECTION 3: THE SECOND VICE PRESIDENT SHALL:

- (A) Perform the duties of the President and First Vice President in their absence.
- (B) Assist the President and the First Vice President in the performance of their duties.
- (C) Perform such functions as may be assigned by the President and Executive Committee.
- (D) Fulfill all the requirements and duties placed upon him/her by the Bylaws of the Society.

SECTION 4: THE SECRETARY SHALL:

- (A) Maintain the Corporate Charter, Seal and all official records of the Society.
- (B) Perform the duties of the President and Vice President in their absence.
- (C) Receive and forward all correspondence to the appropriate Society officer for action.
- (D) Take the minutes at all Annual General and Special meetings of the Society. Transcribe and distribute all minutes to the members of the Executive Council, including a copy to the BANNER editor for publication
- (E) Act as Recording Secretary at Executive Council meetings. Transcribe and distribute the minutes of such meetings to the Executive Council in a timely manner.

SECTION 5: THE TREASURER SHALL:

- (A) Receive all monies. Maintain records of receipts, disbursements, investments and other accounting records as appropriated under generally accepted accounting procedures.
- (B) Present a quarterly report to the membership through the Buchanan Banner.
- (C) Fulfill all the requirements and duties placed upon him by the Bylaws of the Society.
- (D) Prepare and present a budget acceptable to the Council.
- (E) File the appropriate income tax returns for the Society.

SECTION 6: THE MEMBERSHIP SECRETARY SHALL:

- (A) Maintain a master membership list to include appropriate information requested on the application. Processed applications should be sent at least quarterly to the genealogist for his/her use.
- (B) Send materials to prospective members, as requested.
- (C) Prepare and present the annual membership report to the Executive Council.
- (D) Perform those duties required by the Bylaws and/or the President of the Society.
- (E) Be responsible for revising the application as needed.
- (F) Establish procedures for securing membership renewals.
- (G) Maintain the privacy of the Society's membership list. Release of the membership list must be approved by the President.
- (H) Distribute membership lists to appropriate personnel quarterly.

ARTICLE VI

DUTIES AND POWERS

OF THE EXECUTIVE COUNCIL

The Executive Council derives its authority from the Society membership and acts on behalf of the membership in handling the business affairs of the Society.

SECTION 1: CONTRACTS

All contracts or other binding agreements must be authorized and approved in advance by the Executive Council.

SECTION 2: GEOGRAPHICAL REGIONS

The Executive Council shall have the authority to determine and define the Society's geographical regions.

SECTION 3: BOARD OF ADVISORS

A Board of Advisors made up of all living past presidents shall serve as advisor to the Executive Council. This Board shall elect its own chairman and shall carry out such activities as may be assigned by the Executive Council.

ARTICLE VII

NOMINATIONS AND ELECTIONS

Nominations and elections for office shall be conducted in the manner herein set forth:

SECTION 1: ELECTIONS

The Society shall hold biennial elections in odd number years.

SECTION 2: ELECTORATE

The general membership shall elect the officers of the Society.

SECTION 3: NOMINATING COMMITTEE

A nominating committee of at least three members and not more than five members, made up of one member of the Council and two to four members appointed by the President from the membership, following:

will solicit and make nominations for the offices. The committee members will assure each nominee meets the required qualifications.

SECTION 4: NOMINATIONS

Nominations from the membership at large must be in writing and received by the Nominations Committee Chairman prior to December 1st of each year, or seven months prior to the Annual General Meeting. Qualifications and permission of the candidates must accompany the nominations. All nominations will be marked "Attention: Nominations Committee".

SECTION 5: NOMINATION PROCESS

The Nominations Committee Chairman shall, upon receipt of all nominations, verify the validity of each nomination and circulate copies of all nominations to members of the Nominating Committee. Any recommendations from the Nominating Committee members must be submitted to the Committee Chairman promptly. The Chairman of the Nominating Committee shall forward to the Chairman of the Elections Committee copies of all letters of nomination and the recommendations of the Nominating Committee no later than March 15. The Elections Committee shall upon receipt of the recommendations of the Nominating Committee, prepare a ballot which lists all the candidates for office. The ballots along with voting instructions will be sent to all eligible voting members. All completed ballots must be returned to the Judge of Elections postmarked no later than the date indicated on the ballot. Individual members may vote once. Family members may submit two votes.

SECTION 6: JUDGE OF ELECTIONS

The President shall appoint a Judge of Elections (who shall be a non-member of the Society). The Judge shall receive and tabulate all ballots. The Judge of Elections shall open and tabulate all ballots in the presence of a representative of the Society, appointed by the President. Upon completion of tabulation of the votes, the Judge of Elections shall place all ballots received in a sealed envelope and turn said envelopes over to the representative of the Society who will, in turn, forward the sealed envelope to the Secretary. The Judge shall forward the results of the election as tabulated to the President and Secretary. The results shall be published in the next succeeding issue of the Buchanan Banner and will be announced at the next succeeding Annual General Meeting.

SECTION 7: ELECTION CHALLENGES

Unless challenged, the findings of the Judge shall be considered the "will of the Society" and those elected shall be installed in their respective offices in the proper order of business.

Any challenge to the findings of the Judge of Elections shall be brought before the membership at the Annual General Meeting. Such challenge may be brought only by a defeated candidate and only for the office in question.

The process for adjudication of challenge shall be as follows: The challenger and a member of the Executive Council appointed by the President, and the Secretary shall open the sealed envelope containing the election ballots, examine the ballots and re-tabulate the results. The Secretary shall then announce the findings to the membership. The findings of the challenge board shall be final. Should the challenger be the Secretary, the First Vice President shall perform the duties ascribed to the Secretary.

SECTION 8: BALLOT DISPOSAL

When the final tabulation has been announced to the membership and any challenge been properly resolved, the Secretary shall destroy the ballots.

SECTION 9: NOMINEE QUALIFICATIONS

Qualifications of nominees for office shall consist of the following:

A participating active member in good standing in the Society for at least one year. A participating and active member shall be defined as one who is actively involved in Society affairs, e.g., service on committees, service as a Regional Commissioner, Regent, Convener, or one who has made other significant contributions to the Clan.

The nominee must be capable of fulfilling the requirements, duties and obligations of the office for which he has been nominated.

No person shall have his/her name placed in nomination without his prior written consent.

ARTICLE VIII

APPOINTED OFFICERS

SECTION 1: APPOINTED OFFICERS

The appointed officers of the Society may be the following:

- (A) Regional Commissioners
- (B) Chaplain

- (C) Editor of Society's Newsletter, THE BUCHANAN BANNER.
- (D) Genealogist(s)
- (E) Legal Counsel
- (F) Historian-Archivist
- (G) Quartermaster
- (H) Recording Secretary
- (I) Parliamentarian

Such other officials may be required from time to time for the efficient administration of the Society, or as deemed necessary by the President

SECTION 2: REPORTING

All appointed officers shall report directly to the President, unless otherwise directed by the President

SECTION 3: DUTIES

The duties of all appointed officers shall be determined by the President with the approval of the Executive Council.

ARTICLE IX - COMMITTEES

SECTION 1: COMMITTEES

There shall be such committees as from time to time shall be determined by the Executive Council, which may include the following:

- (A) Bylaws
- (B) Membership
- (C) Financial
- (D) Nominations
- (E) Elections
- (F) Editorial-Publishing
- (G) Historical-Archival
- (H) Genealogical

SECTION 2: CHAIRMANSHIP

The President shall appoint the Chairman of each Committee.

SECTION 3: DUTIES

The duties of each committee not established in the Bylaws shall be determined by the Executive Council.

ARTICLE X - MEETINGS

SECTION 1: ANNUAL MEETING

The Society shall hold an annual general meeting and gathering of the Society at the time of the Grandfather Mountain Highland Games and Gatherings of the Scottish Clans which is held at Linville, North Carolina, or such other site as may be determined by the General Membership. The site and time of the next annual general meeting may be changed upon the recommendation of the Executive Council and with a majority vote of the members attending any annual general meeting. In odd-numbered years, newly elected officers will be installed at this meeting.

SECTION 2: SPECIAL MEETINGS

The President may call a special meeting of the Society to transact matters of importance upon a thirty day's written notice of such meeting to all members in good standing in the Society.

- (A) Any special meeting called by the President shall conduct only such business as stated in a Notice of Agenda to accompany the notice of a special meeting.
- (B) A special meeting of the Society may be called by any member of the Society so long as petition for such meeting is presented to the President and signed by not less than 1 percent of the members of the Society in good standing. The President shall name the time and place of such meeting following the procedure as set forth in Section 2(A) of this Article.

SECTION 3: EXECUTIVE COUNCIL MEETINGS

- (A) An Executive Council meeting shall be held on the day before the annual general meeting at a time and place designated by the President. In odd-numbered years, newly elected officers will be invited to attend.
- (B) The Executive Council may hold a meeting on the day immediately following the Annual General Meeting. All newly-elected officers will attend this meeting. The meeting will be held at a time and place determined at the previous Executive Council meeting.
- (C) The President may call an Executive minimum of two week's written notice to all members of the Executive Council. In extreme cases, where an immediate vote is needed, the President will poll the Executive Council and ratify any action taken at the next official Executive Council meeting.

- (D) In the event that a member of the Executive Council is unable to physically attend the Annual Executive Council Meeting; he/she may appoint a member in good standing, as his/her proxy to attend the meeting in his/her stead and have voting privileges.

ARTICLE XI

QUORUMS AND VOTING

SECTION 1: MEMBERSHIP MEETING QUORUM

For the purposes of holding any annual meeting or special meeting of the membership a quorum of not less than 1 percent of the membership in good standing shall be required.

SECTION 2: EXECUTIVE COUNCIL QUORUM

For the purpose of holding any meeting of the Executive Council, a quorum shall require that majority of the voting members of the Executive Council be present.

SECTION 3: MAJORITY

A simple majority of those members in good standing present at any meeting where there is a quorum present shall be required to pass or defeat any motion before the membership, unless otherwise provided for herein.

ARTICLE XII

FINANCIAL AND LEGAL RESPONSIBILITIES

SECTION 1: FUNDS DEPOSIT

All funds of the Society shall be deposited from time to time to the credit of the Society in such bank or banks or other depositories as the Executive Council may select.

SECTION 2: SIGNATORIES

All checks, drafts or other orders for the payment of money shall be signed by such officer or officers, agent or agents of the Society and in such manner as shall from time to time be determined by resolution of the Executive Council.

SECTION 3: BONDING

All persons handling funds of the Society shall be covered by bonds in such amounts as may be designated by the Council. In the handling of funds of the Society, generally recognized accounting practices shall be followed, and a full report of receipts and expenditures shall be available whenever the Executive Council may require.

SECTION 4: TAX STATUS

It is the intention of the Society to operate in such a manner as to qualify for and retain a 501(c)(3) status.

ARTICLE XIII

INDEMNIFICATION

To the full extent permitted by law, each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, wherever brought, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the Society or that he or she is or was serving at the specific request of the Executive Council of the Society as a director, officer, employee or agent of another society, corporation, partnership, joint venture, trust, or other enterprise, shall be indemnified by the Society against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding; provided, however, that the indemnification with respect to a person who is or was serving as a director, officer, employee or agent of another society, corporation, partnership, joint venture, trust, or agent of another enterprise shall apply only to the extent such person is not indemnified by such other society, corporation, partnership, joint venture, trust, or other enterprise; and provided further, that said person:

- (A) Acted in good faith.
- (B) Received no improper or illegal personal benefit.
Reasonably believed that his or her actions and conduct were in the best interest of the Society; or that said person's actions and conduct were not opposed to the best interests of the Society.
- (C) The indemnification provided by this section shall continue as to a person who has ceased to be a director, officer, employee, agent, or trustee and shall inure to the benefit of the heirs, executors and administrators of such person arises out of matters occurring before the adoption of this section.

ARTICLE XIV

RECOGNITION OF GROUPS AND INDIVIDUALS

The President with approval of the Executive Council shall have the power to appoint individuals or groups to an official status within the Society; such appointments shall be in the nature of Official Piper, Official Dancer, Official Pipe Band, etc.

ARTICLE XV

REGIONAL AND LOCAL CHAPTERS

SECTION 1: REGIONS AND COMMISSIONERS

The Executive Council shall have the power to establish regional districts for the purpose of promoting the continued growth and welfare of the Society. Regional Districts shall be headed by a Regional Commissioner who shall be appointed by the President with the approval of the Executive Council. Alternatively, a region may elect its own Regional Commissioner.

SECTION 2: REGIONAL COMMISSIONER ELECTION

In the event that a regional district desires to elect its own regional commissioner, members in said region must first petition the Council and submit for approval a set of By-Laws, and said petition must be signed by not less than fifteen (15) members of the Society in good standing residing in said region. With the approval of the Executive Council, such regional district shall become a regional Chapter of the Society and shall be issued a charter signed by the president and the Secretary of the Society. Regional chapters may elect their own officers, none of whom should be national officers.

SECTION 3: LOCAL CHAPTER ORGANIZATION

The Local Chapter of the Society may be established upon written petition to the Council signed by not less than ten (10) members in good standing of the Society, all residing in the same locale as defined by the Executive Council. A petition for the formation of a local chapter must be accompanied by a set of By-Laws for governing such local chapter. With the approval of the Council such group shall become a Local Chapter of the Society and shall be issued a Charter signed by the President~, Executive Secretary and the Regional Commissioner wherein such local chapter exists. Local chapters may elect their own officers, none of whom should be state or national officers.

SECTION 4: CHAPTER MEMBERSHIP

No Regional Chapter or Local Chapter shall accept for membership any person who is not first a member of the Clan Buchanan Society International, Inc. All Chapter letterhead stationery should carry the full name of the Society as well as the chapter name.

SECTION 5: CHAPTER ASSESSMENTS

No Regional Chapter or Local Chapter shall have the power to levy assessments on its members without the prior written permission of the Executive Council.

SECTION 6: CHAPTER SUSPENSION AND DISSOLUTION

All Regional Chapters or Local Chapters shall exist at the discretion of the Executive Council, and the Council shall have the right to suspend or dissolve any Regional Chapter or Local Chapter for violation of the guidelines for such groups established by the Council.

ARTICLE XVI

AMENDMENTS

The By-Laws of this Society may be amended by a three-fourths majority vote of the general membership who cast ballots.

- (A) Proposed amendment(s) to the By-Laws of this Society shall be provided in writing to the general membership, who shall return their ballots to the Chairman of the By-Laws Committee within 30 days of the mailing date.
- (B) Amendments to the By-Laws may be proposed by the By-Laws Committee through the Executive Council.
- (C) Amendments to the By-Laws of this Society may be proposed to the general membership through the Executive Council by a petition signed by not less than 10 percent of the members in good standing in the Society.