

**Draft of 5/17/13**

**AMENDED AND RESTATED  
BYLAWS  
OF  
THE TEACHER EDUCATION  
ACCREDITATION COUNCIL, INCORPORATED  
a Delaware Nonprofit Corporation**

**(Effective July 1, 2013)**

**ARTICLE I - DESCRIPTION AND LOCATION**

**Section 1.01 Name.** The name of the corporation is The Teacher Education Accreditation Council, Incorporated (the “Corporation”). The Corporation may use the acronym “TEAC” as an alternate name.

**Section 1.02 Mission.** TEAC is a non-governmental, voluntary association committed to the effective preparation of teachers and other P-12 professional educators. Its mission is to recognize, assure, and promote the high quality of that preparation in colleges, universities, and other organizations through its system of accreditation, for the ultimate purpose of advancing P-12 student learning.

**Section 1.03 Powers.** In furtherance of its objectives, TEAC shall have the following specific powers, in addition to the powers granted to it under law:

1. To develop and promulgate TEAC standards, principles, and processes for the preaccreditation and accreditation of programs and/or units that prepare educators for state or foreign licensure in P-12 fields inside and outside of the United States, which are consistent with the comparable standards, principles, and processes of its sole Member (as defined below)
2. To perform those reviews and evaluations and grant those preaccreditations or accreditations;
3. To publish those reviews, evaluations, preaccreditations, and accreditations;

4. To work with state and foreign agencies responsible for approval of P-12 professional educator preparation in the states, territories, District of Columbia, and foreign countries, including providing those with which TEAC has partnership agreements with information requested for use in their own approval and recognition processes;

5. To support the work of associated scholarly societies in assuring and promoting the high quality of specialty preparation for P-12 professional educators;

6. To collect and disseminate statistics and other information related to the preparation of P-12 professional educators;

7. To assist in research and special projects on topics of interest;

8. To confer appropriate recognitions and awards; and

9. To engage in any other lawful activities to enhance and promote preparation programs for P-12 professional educators and apprise the public of its value, scope, and character.

**Section 1.04 Offices.** The principal office, and any additional offices, shall be located at such place(s) as the Board of Directors of TEAC (the "Board") shall from time to time designate, provided that at all times TEAC shall maintain a registered office and a registered agent in Delaware.

## ARTICLE II - MEMBER

**Section 2.01 Sole Member.** The sole member of TEAC shall be The Council for the Accreditation of Educator Preparation, Incorporated ("CAEP"). CAEP or any successors to CAEP's interest in TEAC shall hereinafter be referred to as the "Member."

**Section 2.02 Term of Membership.** The term of membership shall be perpetual, until resignation of the Member or dissolution of the Corporation.

**Section 2.03 Liability to Third Parties.** The Member shall not be, as such, liable for the acts, debts, liabilities, or obligations of TEAC.

**Section 2.04 Dues.** The annual dues, if any, for the Member shall be determined by the Board.

**Section 2.05 Actions.** The Member shall act under these Bylaws by a signed written instrument, setting forth the action.

**Section 2.06 Notice.** Except as otherwise provided in these Bylaws, whenever notice is required to be given to the Member, it may be given either personally or by sending a copy by first-class or express mail, postage pre-paid, e-mail, facsimile transmission, or courier service, charges prepaid, to the address (or the e-mail address or facsimile number) appearing on TEAC's books. Notice shall be effective when sent or dispatched.

### **ARTICLE III - BOARD OF DIRECTORS**

**Section 3.01 Powers.** The affairs, activities, and policies of TEAC shall be managed by or under the direction of its Board. In furtherance, but not in limitation, the Board shall

1. Make policy for TEAC;
2. Appoint the Officers (as defined below);
3. Review the activities and performance of TEAC, but not individual accreditation decisions;
4. Review an annual independent audit of TEAC's financial books and records, which may be as part of a consolidated audit of its Member; and
5. Approve the Chair's recommendations for the agendas, times, and places for the Board's meetings.

Procedural matters included in the foregoing and other matters specified by the Board may be handled by consent agenda, following recommendation by the President or any Director.

**Section 3.02 Composition.** The number of Directors on the Board shall be fixed at three (3), or such number as may be determined from time to time by amendment of these Bylaws, which number shall not be less than the minimum number required under applicable law and which on the date these Bylaws become effective (the "Effective Date") is three (3).

From the effectiveness of these bylaws and as long as TEAC chooses to be recognized by the U.S. Department of Education (the "USDEd") and/or the Council for Higher Education Accreditation ("CHEA"), it shall comply with any applicable requirements of the USDEd and/or CHEA for composition of the Board.

**Section 3.03 Election and Term of Directors.** Each Director shall be appointed by the Member and shall serve for the lesser of five (5) years or the maximum term permitted by applicable law, and each Director appointed shall hold office until his or her earlier resignation or removal.

**Section 3.04 Vacancies.** Any vacancy occurring in the Board, including by reason of an increase in the number of Directors, shall be filled by the Member.

**Section 3.05 Removal.** A Director may be removed with or without cause at any time by action of the Member.

**Section 3.06 Resignations.** A Director may resign at any time by written notice to the Board, President, or Secretary. The resignation shall be effective at the time specified in the notice or on receipt, if no time is specified. Acceptance of a resignation shall not be necessary to make it effective.

**Section 3.07 Quorum and Votes Required for Action.** Unless a greater proportion is otherwise required under these Bylaws or applicable law, a majority of the Directors then in office shall constitute a quorum for the transaction of business. Except as otherwise provided, the act of a majority of the Board shall be the act of the Board.

**Section 3.08 Meetings.** Regular meetings of the Board shall be held at such places and times as it may designate. There shall be at least one such regular meeting each year, which is referred to as the annual meeting. Special meetings of the Board may be called by or at the request of the Chair, the President or a majority of the Directors then in office. At least fifteen (15) days' notice of the place and time for any regular or special meeting shall be given to each Director by the Secretary.

**Section 3.09 Notice.** Except as otherwise provided in these Bylaws, whenever notice is required to be given to any Director, it may be given either personally or by sending a copy by first-class or express mail, postage prepaid, e-mail, facsimile transmission or courier service, charges prepaid, to the Director's address (or to the Director's e-mail address or facsimile number) appearing on TEAC's books. Notice shall be effective when sent or dispatched.

**Section 3.10 Waiver of Notice.** Any Director may waive the right to receive timely notice of any meeting, either before or after the time for notice. A Director's attendance at any meeting shall constitute waiver of notice, excepting attendance to object at the beginning of the meeting to the transaction of business on the ground that the meeting was not lawfully called or convened. Except as otherwise specifically required by law or these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver.

**Section 3.11 Written Action by Directors; Meetings by Electronic Means.** Any action by the Board may be taken without a meeting, if consent in writing, setting forth the action, shall be signed by all Directors. Such consent shall have the same force and effect as a unanimous vote. The signed documents setting forth such consent by all Directors shall be filed with the Board minutes. Except as otherwise specifically required by law or these Bylaws, Directors may participate in a meeting of the Board or any of its committees by electronic means, such as telephone and Internet conference, by which all persons participating in the meeting are able to communicate with each other, and such participation shall constitute presence in person at the meeting.

**Section 3.12 Compensation of Directors.** TEAC shall not pay any compensation to Directors for services rendered to TEAC in that capacity, except that Directors may be reimbursed, in reasonable amounts, for expenses incurred in the performance of their duties as Directors. Subject to Board approval, Directors may also perform services for TEAC and/or the Member in one or more other capacities and may receive compensation for their performance, if they are reasonable and necessary to carry out TEAC's and/or the Member's exempt purposes, and such compensation is reasonable.

**Section 3.13 Annual Report.** The Treasurer shall present at the annual meeting of the Board a written report of TEAC's financial activities for the preceding year. The report, which may be part of a consolidated report for CAEP and National Council for Accreditation of Teacher Education, Inc. ("NCATE"), shall conform to accounting standards promulgated by the American Institute of Certified Public Accountants and shall include a statement of support, revenue, and expenses and changes in fund balances, a statement of functional expenses and balance sheets for all funds. Each such annual report must be approved by the Board. It shall then be filed with TEAC's records and duly noted in the minutes of the meeting.

**Section 3.14 Financial Records.** TEAC's annual reports relating to its financial activities shall be kept at its principal office for at least three (3) years following the close of each fiscal year and shall be available to the public for inspection and copying there during normal business hours.

**Section 3.15 Standard of Conduct.** To the extent required by law, in discharging Board duties, Directors shall disclose information to the Board that is material to the discharge of the Board's decision-making or oversight functions, provided however, that disclosure is not required to the extent that the Director reasonably believes that disclosing would violate a duty imposed by law, a legally enforceable obligation of confidentiality, or a professional ethics rule.

## ARTICLE IV – TEAC INQUIRY BRIEF COMMISSION

**Section 4.01 Purpose.** The TEAC Inquiry Brief Commission (“Commission”) shall manage and conduct the accreditation functions of TEAC, including the granting or withholding of preaccreditation or accreditation and developing and recommending to the Board standards and policies for such preaccreditation and accreditation.

**Section 4.02 Selection of Members and Chair.** Upon the effectiveness of these Bylaws (the “Effective Date”), the members and chair of the TEAC Accreditation Committee then in office, or currently serving in comparable roles, shall continue in office as members of the Commission for the balance of their terms. As vacancies occur, new members of the Commission shall be appointed as needed for terms of four (4) years, renewable once. They shall have completed training for their roles as members of the Commission and any related functions. Using selection and nomination processes it has adopted, the Commission shall select new members by majority vote from persons who have been nominated by members of CAEP or education preparation providers preaccredited or accredited by CAEP or by TEAC and represent each of the three sectors for members of CAEP, provided that, as long as TEAC chooses to be recognized by the USDEd and/or CHEA, it shall comply with any other of their applicable requirements for composition of its accreditation decision-making bodies, including the proportions of educators, practitioners, and members of the public. The Chair of the Commission shall serve a renewable two (2) year term and shall be elected by the Commission from its members by majority vote.

**Section 4.03 Appeals Committee.** The Commission shall have an Appeals Committee. The Appeals Committee shall consist of fifteen (15) members, who are former members of the TEAC Accreditation Committee, the TEAC Inquiry Brief Commission, or the TEAC Accreditation Panel and who are selected by the Commission using a process it adopts. The initial process as of the Effective Date shall be the one being used as of the Effective Date, which process is described in the TEAC Policy Manual. No Appeals Committee member shall be a current Board member. The Appeals Committee shall otherwise comply with comparable provisions for the Commission. For each appeal of an accreditation decision by the Council, the President shall appoint an appeals panel of five (5) members drawn from the Appeals Committee, who shall include at least one representative of the public consistent with the USDEd’s regulations and interpretations. In no case shall an appeals panel member be appointed who was involved in the accreditation recommendation subject to appeal. The panel shall hear and finally decide the appeal pursuant to appeals procedures developed by the Appeals Committee. The Appeals Committee shall keep up-to-date written statements of its procedures and records of its proceedings.

**Section 4.04 Commission Responsibilities.** The Commission shall formulate and keep up-to-date written statements of its procedures for making accreditation decisions, such processes initially in

force being contained in the TEAC Policy Manual. Such procedures shall include an in-depth review of all accreditation cases prior to their consideration by the full Commission. As long as TEAC chooses to be recognized by the DOE and/or CHEA, the Commission shall comply with any other applicable requirements imposed by such entities for such recognition. The Commission may determine how to organize itself, by way of committees or otherwise, in order to carry out its responsibilities and shall also have jurisdiction of such other matters as pertain to those education preparation providers that have selected the Commission for accreditation.

**Section 4.05 Quorum and Votes Required for Action.** Unless a greater proportion is otherwise required under these Bylaws or applicable law, a majority of the members of the Commission then in office shall constitute a quorum for the transaction of business. Except as otherwise provided, the act of a majority of the Commission shall be the act of the Commission.

**Section 4.06 Meetings.** Regular meetings of the Commission shall be held at such places and times as it may designate. There shall be at least one such regular meeting each year, which is referred to as the annual Commission meeting. Special meetings of the Commission may be called by or at the request of the chair of the Commission or a majority of the members of the Commission then in office. At least fifteen (15) days' notice of the place and time for any regular or special meeting shall be given to each member of the Commission by its chair.

**Section 4.07 Notice.** Except as otherwise provided in these Bylaws, whenever notice is required to be given to any member of the Commission, it may be given either personally or by sending a copy by first-class or express mail, postage prepaid, e-mail, facsimile transmission or courier service, charges prepaid, to such member's address (or to the member's e-mail address or facsimile number) appearing on TEAC's books. Notice shall be effective when sent or dispatched.

**Section 4.08 Waiver of Notice.** Any member of the Commission may waive the right to receive timely notice of any meeting, either before or after the time for notice. A member's attendance at any meeting shall constitute waiver of notice, excepting attendance to object at the beginning of the meeting to the transaction of business on the ground that the meeting was not lawfully called or convened. Except as otherwise specifically required by law or these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Commission need be specified in the notice or waiver.

**Section 4.09 Written Action; Meetings by Electronic Means.** Any action by the Commission may be taken without a meeting, if consent in writing, setting forth the action, shall be signed by all members. Such consent shall have the same force and effect as a unanimous vote. The signed documents setting forth such consent by all members shall be filed with the Commission's minutes. Except as otherwise specifically required by law or these Bylaws, members of the Commission may participate in a meeting of the Commission or any of its committees by

electronic means, such as telephone and Internet conference, by which all persons participating in the meeting are able to communicate with each other, and such participation shall constitute presence in person at the meeting.

**Section 4.10 Compensation of Members.** TEAC shall not pay any compensation to members of the Commission for services rendered to TEAC in that capacity, except that members of the Commission may be reimbursed, in reasonable amounts, for expenses incurred in the performance of their duties as members. Subject to Board approval, members of the Commission may also perform services for TEAC and/or the Member in one or more other capacities and may receive compensation for their performance, if they are reasonable and necessary to carry out TEAC's and/or the Member's exempt purposes, and such compensation is reasonable.

## **ARTICLE V - PRESIDENT**

**Section 5.01 President of the Corporation.** The President shall be Chief Executive Officer (or "CEO"), with all authority customary to the two offices, when held jointly, including general supervision over the activities and operations of TEAC, subject to the control of the Board. Without limiting the foregoing, the President may (a) execute and acknowledge, in the name and on behalf of TEAC, contracts or other instruments; (b) appoint members of advisory committees; (c) attend, or designate an Officer or staff member to attend, Commission meetings in a nonvoting capacity, and (d) perform such other duties as are incident to the office of President. The President may validly identify himself or herself in the official documents and actions of TEAC as either Chief Executive Officer or President.

**Section 5.02 Election and Term of Office.** The President shall be elected by the Board to serve at its pleasure and hold office until his or her successor has been elected and qualified or until his or her earlier resignation or removal by the Board.

**Section 5.03 Standard of Conduct.** To the extent required by law, the President shall inform the Board of (i) any material information about the affairs of TEAC, (ii) any actual or probable material violation of law involving TEAC, and (iii) any material breach of duty to TEAC by an officer, employee, or agent of TEAC.

## **ARTICLE VI – OTHER OFFICERS**

**Section 6.01 Officers.** The other officers shall be a Chair, a Secretary, a Treasurer, and such other officers and assistant officers as may be determined by the Board ("Other Officers," and together with the President, the "Officers"). Any number of offices may be held by the same person, unless



the Certificate of Incorporation or these Bylaws otherwise provide, provided, however, that in no event shall the President and the Treasurer be the same person.

**Section 6.02 Election and Term of Office.** Only Directors shall be eligible to serve as Other Officers. The Other Officers shall be elected by the Board for a term of two (2) years and until their successors have been elected and qualified, but the term may not exceed the Other Officer's term as a Director. The number of consecutive terms which an Other Officer may serve is unlimited, provided that the Other Officer is serving on the Board. The election of an Officer shall not of itself create contractual rights.

**Section 6.03 Resignation.** Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Any such resignation shall take effect at receipt or such other specified time, and, unless otherwise specified, no acceptance of such resignation shall be necessary to make it effective.

**Section 6.04 Removal.** Any Officer may be removed for cause at any time by action of a majority of the Board; provided, however, that removal of an Officer shall be without prejudice to the Officer's contractual rights, if any.

**Section 6.05 Vacancies.** A vacancy in office may be filled for the unexpired portion of the term by the affirmative vote of a majority of the Board.

**Section 6.06 Powers and Duties of Officers.** Subject to the control of the Board, all Officers as between themselves and TEAC shall have such authority and perform such duties in the management of the property and affairs of TEAC as may be provided in these Bylaws or by resolution of the Board not inconsistent with these Bylaws, and, to the extent not so provided, as generally pertain to their respective offices.

**A. Chair.** The Chair shall preside at all meetings of the Board, prepare, with the help of staff and including any items requested by the President, the agenda for Board meetings and perform all duties customary to the office of Chair, when its holder is not also CEO.

**B. Secretary.** The Secretary shall be responsible, with the assistance of staff, for keeping an accurate record of the proceedings of all meetings of the Board, shall see that all notices required by these Bylaws or by law are given, and, in general, shall perform all duties customary to the office of Secretary. The Secretary shall have custody of the corporate seal and shall have authority to affix it to any instrument; and, when so affixed, it may be attested by the Secretary's signature. The Board may authorize another Officer to affix the seal of TEAC and to attest the affixing by his or her signature.

**C. Treasurer.** The Treasurer, with the help of staff, shall have the custody of, and be responsible for, all funds and securities of TEAC, direct the financial affairs of TEAC, and keep the Board fully informed about all matters involving TEAC's finances. Annually and whenever else required by the Board, the Treasurer shall render a statement of accounts. The Treasurer shall at all reasonable times exhibit the books and accounts to any Director.

**Section 6.07 Standard of Conduct for Officers.** To the extent required by law, each Officer shall inform the appropriate person on the Board of (i) any material information about the affairs of TEAC, (ii) any actual or probable material violation of law involving TEAC, and (iii) any material breach of duty to TEAC by an officer, employee, or agent of TEAC.

## ARTICLE VII - STAFF

**Section 7.01 Appointment.** The President may retain agents and employees who shall have such authority and titles and perform such duties as the President may prescribe. The President may remove any agent or employee at any time with or without cause. Removal shall be without prejudice to such person's contractual rights, if any. The engagement of such person as an agent or employee shall not itself create contractual rights. The TEAC staff assigned to assist the Commission may be retained directly by the President. Staff members may be personnel that are concurrently employed by TEAC, CAEP and/or NCATE (together, the "CAEP Group"). The CAEP Group may pool staff resources for purposes of supporting the accreditation functions of each of the CAEP Group entities. The staff may be assigned by the President to assist the Commission, the Appeals Committee or any other commissions in supporting their accreditation or other functions. Staff and resources assigned to the Commission shall be sufficient to provide for the expected number of accreditation cases each year.

**Section 7.02 Compensation.** TEAC may pay compensation in reasonable amounts to agents and employees for services rendered, such amounts to be determined by the President, within the budget authority granted by the Board. Agents and employees may also be reimbursed for expenses incurred in the performance of their duties to TEAC, in reasonable amounts.

## ARTICLE VIII – MISCELLANEOUS

**Section 8.01 Fiscal Year.** The fiscal year of TEAC shall start on the 1<sup>st</sup> day of July of each year, unless otherwise determined by the Board.

**Section 8.02 Corporate Seal.** Should the Board elect to adopt a corporate seal, it shall be circular in form, shall have the full name of TEAC inscribed thereon and shall contain the words

“Corporate Seal,” the state or district of incorporation, and the year TEAC was formed in the center, in such form as may be approved from time to time by the Board.

**Section 8.03 Contracts and Other Documents.** The Board may, except as otherwise specifically required by law or these Bylaws, authorize any officer, employee or agent to enter into any contract or execute and deliver any instrument or document on behalf of TEAC. Such authority may be general or confined to specific instances.

**Section 8.04 Checks, Drafts, Loans, Etc.** All checks, drafts, loans, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of TEAC shall be signed by such officer or agent and in such manner as shall be from time to time be determined by the Board. In the absence of such determination, such instruments shall be signed by the President and countersigned by the Treasurer.

**Section 8.05 Books and Records.** TEAC shall keep at its principal office (1) correct and complete books and records of account; (2) minutes of the proceedings of the Members, Board and any committee having the authority of the Board; and (3) a current list of the Members, Directors, and Officers, and their addresses.

**Section 8.06 Gifts, Grants and Bequests.** TEAC shall have the authority to seek gifts, grants, and bequests.

**Section 8.07 Funds.** TEAC’s funds shall be deposited to its credit in such banks or other depositories as may be authorized by the Board.

## **ARTICLE IX - AMENDMENT OF CERTIFICATE OF INCORPORATION AND BYLAWS**

**Section 9.01 Amendment of Certificate of Incorporation.** The Certificate of Incorporation may be amended by the Member or a majority of the Board, provided such amendment is in conformity with the purposes for which TEAC was established. Notice of any proposed revision to the Certificate of Incorporation shall be mailed to the Directors at least thirty (30) days prior to the meeting at which the revision is to be considered.

**Section 9.02 Amendment of Bylaws.** These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted, by the Member or a majority of the Board. Notice of any proposed revision to these Bylaws shall be mailed to the Directors at least thirty (30) days prior to the meeting at which the revision is to be considered.

## ARTICLE X - INDEMNIFICATION AND INSURANCE

**Section 10.01 Indemnification.** TEAC shall, to the full extent permitted by law, indemnify any Director or Officer, any former Director or Officer, any person who may have served at its request as a director or officer of another corporation, whether for profit or not for profit, and any member or former member, and may, by resolution of the Board, indemnify any employee, agent or volunteer, against any and all expenses and liabilities actually and necessarily incurred by any such person or imposed on any such person in connection with any claim, action, suit, or proceeding (whether actual or threatened, civil, criminal, administrative or investigative, including appeals) to which the person may be or is made a party by reason of being or having been such Director, Officer, member, person, employee, agent, or volunteer; subject to the limitation, however, that there shall be no indemnification in relation to matters as to which such person shall be adjudged in such claim, action, suit, or proceeding to be liable (i) to TEAC, (ii) on the basis that personal benefit was improperly received by such person, whether or not the benefit resulted from an action taken in the person's official capacity, or (iii) for acting in bad faith or for negligence or misconduct in the performance of a duty.

The Directors who are not parties to such action, suit, or proceeding or who do not have a familial, financial, professional, or employment relationship with any parties to such action, suit or proceeding, which relationship would, in the circumstances, reasonably be expected to exert an influence on the Director's judgment when voting on the decision being made (the "disinterested Directors") shall determine in each instance whether the conditions for indemnification specified in this section have been met, provided that a sufficient number of disinterested Directors are present to constitute a quorum of the whole Board. If no such quorum can be assembled, or at the option of the Board in the exercise of which all Directors shall be eligible to participate, the determination shall be made by independent counsel (selected by the disinterested Directors) in a written opinion. After such determination is made that indemnification is permissible, TEAC shall be authorized to provide the indemnification or advance funds to pay for or reimburse expenses to the full extent permitted by law. No allegation in a complaint or similar claim and no settlement shall in itself create any presumption adverse to the person seeking indemnification.

With respect to any matter disposed of by a settlement or compromise payment by such person, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such settlement or compromise payment is approved by (1) a majority vote of the disinterested Directors, a majority of whom will constitute a quorum for that purpose, (2) by a majority of the members of a committee of two or more disinterested directors appointed by such a vote; (3) if there are fewer than two disinterested directors, by the Board, in which case Directors who do not qualify as disinterested Directors may participate; provided that special legal counsel selected in the manner prescribed above, determines that

indemnification is permissible because the Director, Officer, member, person, employee, agent or volunteer has met the relevant standard of conduct in the Bylaws and applicable law; or (4) by a court of competent jurisdiction.

To the extent permitted by law, TEAC shall have the right to approve selected attorneys and to approve any legal expenses incurred in connection with any suit, action or proceeding to which indemnification under this Article X applies, where such approvals shall not be unreasonably withheld.

The indemnification provided by this Article X shall be in addition to any other rights to which such Director, Officer, person, member, agent, employee, or volunteer may be entitled under any statute, Bylaw, agreement, vote of the Board, insurance policy, contract, or otherwise and shall not restrict the power of TEAC to make any indemnification permitted by law.

**Section 10.02 Fees and Expenses.** Amounts paid in indemnification of expenses and liabilities may include, but shall not be limited to, counsel fees and other fees, costs and disbursements; and judgments, fines, and penalties against, and amounts paid in settlement by, such Director, Officer, person, member, employee, agent, or volunteer. TEAC may advance expenses to, or where appropriate may itself at its expense, undertake the defense of, any such person; provided, however, that such person shall undertake to repay or to reimburse such expense if it should be ultimately determined that person is not entitled to indemnification under this Article X.

**Section 10.03 Insurance.** The Board may authorize the purchase of insurance on behalf of any Director, Officer, member, employee, agent, volunteer, or person who may have served at TEAC's request as a director or officer of another corporation, whether for profit or not for profit, against any liability asserted against or incurred by such person which arises out of such person's status with TEAC out of acts taken in such capacity, whether or not TEAC would have the power to indemnify the person against that liability under law.

**Section 10.04 Taxes.** In no case, however, shall TEAC indemnify, reimburse, or insure any person for any taxes imposed on such individual under chapter 42 of the Internal Revenue Code of 1986, as amended (the "Code"). Further, if at any time TEAC is deemed to be a private foundation within the meaning of section 509 of the Code no payment shall be made under this Article if such payment would constitute an act of self-dealing or a taxable expenditure, as defined in section 4941(d) or section 4945(d), respectively, of the Code.

**Section 10.05 Limitation of Liability.** To the extent permitted by law, and subject to the provisions of this Section 10.05, if TEAC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (a "501(c)(3) nonprofit") and TEAC has annual total functional expenses (exclusive of grants and allocations) of less than \$100,000,

then regardless of TEAC 's insurance coverage, TEAC is not liable for the conduct of Officers, Directors, members of a designated body and other persons who perform services for TEAC and who do not receive compensation other than reimbursement of expenses (as used in this Section 10.05, "volunteers").

To the extent permitted by law, and subject to the provisions of this Section 10.05, if TEAC is not a 501(c)(3) nonprofit (regardless of annual total functional expenses) or TEAC is a 501(c)(3) nonprofit with annual total functional expenses (exclusive of grants and allocations) of \$100,000 or more, TEAC is only liable for the conduct of volunteers to the extent of the limit on the TEAC's insurance coverage, provided that TEAC maintains liability insurance with a limit of coverage of not less than \$200,000 per individual claim and \$500,000 per total claims that arise from the same occurrence.

To the extent permitted by law, and subject to the provisions of this Section 10.05, volunteers of TEAC shall not be held personally liable in damages for any action or omission in providing services or performing duties on behalf of TEAC.

To the extent permitted by law, and subject to the provisions of this Section 10.05, persons regularly employed by TEAC to perform a service for a salary or wage (as used in this Section 10.05, "employees") shall not be held personally liable in damages for any action or omission in providing services or performing duties on behalf of TEAC in an amount greater than the amount of total compensation (other than reimbursement of expenses) received during the twelve (12) months immediately preceding the act or omission for which liability was imposed; provided however, that this limitation of liability does not apply to any licensed professional employee operating in his or her professional capacity. To the maximum extent permitted by law, and to the extent an employee is liable, TEAC is only liable for an employee's conduct up to the amount of applicable insurance coverage maintained. This provisions of this paragraph apply to TEAC regardless of whether TEAC is a 501(c)(3) nonprofit or whether the annual expenses are above or below \$100,000.

To the extent required by law, the limitation of liability for volunteers and employees shall not apply when the injury or damage was a result of the employee or volunteer's willful misconduct, crime (unless the volunteer or employee had reasonable cause to believe that the act was lawful), transaction that resulted in an improper personal benefit of money, property or service to the volunteer or employee or act or omission that was not in good faith and was beyond the scope of authority of TEAC pursuant to applicable law or TEAC's Articles of Incorporation.

**Section 10.06 Severability.** If any part of this Article X shall be found in any action, suit, or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected.

#### **ARTICLE XI – DISSOLUTION OF THE CORPORATION**

Unless otherwise specifically provided by law, TEAC may be dissolved at any time by the written consent of not less than a majority of the Board and written consent of the Member.

