

BYLAWS
OF
GEORGE PEABODY LIBRARY IN POST MILLS

ARTICLE I

NAME, FORM OF ORGANIZATION AND PURPOSES

Section 1.1 Name. The name of the organization is the George Peabody Library in Post Mills Corporation and is hereafter referred to as the George Peabody Library.

Section 1.2 Nonprofit and Tax Exempt Status. The George Peabody Library is organized as a nonprofit corporation under the Vermont Nonprofit Corporation [11B V.S.A.] and as a tax exempt organization under Section 501(c) (3) of the Internal Revenue Code, as amended.

Section 1.3 George Peabody Library shall seek to:

- a. Fulfill the wishes of its donor, George Peabody, who in 1866 proclaimed the following: "It is my wish that the library shall be enjoyed ... by the inhabitants of Thetford and to others who may be in the habit of doing business at the village of Post Mills".
- b. To maintain the historic building, the oldest structure still serving as an active library in the State of Vermont, which appears on the National Park Services' National Register of Historic Places because of its historic and archeological resources, and to maintain library services for the Thetford Community in that building.
- c. To provide library services to the Thetford Community and the general public in cooperation with other libraries, schools, and other nonprofit organizations.
- d. To hold and maintain all items from the original library collection.

- e. To receive, maintain, and accept as assets of the corporation, any property, whether real, personal, or mixed, by way of gift, bequest, devise, or purchase from any person, firm, trust, or corporation, to be held, administered, and disposed of exclusively for charitable, religious, educational, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, as amended, and in accordance with and pursuant to the provisions of its articles of incorporation and these Bylaws; but no gift, bequest, devise, or purchase of any such property shall be received or made and accepted if it is conditioned or limited in such manner as shall require the disposition of income or principal to any organization other than a “charitable organization” or for any purposes other than “charitable purposes” which would jeopardize the status of the corporation as an entity exempt from federal income tax pursuant to the relevant provisions of the Internal Revenue Code, as amended; and,
- f. To exclusively promote and carry on any other, charitable, or educational purposes and activities for which corporations may be organized and operated under the relevant provisions of the Internal Revenue Code, as amended, and under the Nonprofit Corporation [11B V.S.A.].

ARTICLE II

OFFICES

Section 2.1 Principal Office. The principal office of the corporation shall be located at the George Peabody Library at 7922 VT Route 113 Post Mills, Vermont.

Section 2.2 Registered Office and Agent. The registered office of the corporation required by law to be maintained in the State of Vermont may, but need not, be identical with the principal office. The corporation shall maintain a registered agent whose office is identical with the registered office. The corporation may change its registered office or registered agent from time to time in the manner required by law.

Section 2.3 Other Offices. The corporation may have offices at such other places within the State of Vermont as the Board of Trustees from time to time may determine, or as the affairs of the corporation may require.

Section 2.4 Principal Office open to the public. In addition to being the principal office of the corporation, the George Peabody Library located at 7922

VT Route 113 Post Mills, Vermont shall be maintained as a functioning library open to the public. The use of this building as the corporation's principal office may not prevent the use of the space as a public library, except if needed on a short term basis.

ARTICLE III

BOARD OF TRUSTEES

Section 3.1 General Powers and Authority of the Board. All corporate powers shall be exercised by or under the authority of, and the affairs of the George Peabody Library managed under the direction of, the Board of Trustees.

Section 3.2 Number, Term, and Qualifications. The authorized number of trustees of the George Peabody Library shall be not less than three (3) nor more than ten (10) as the Board of Trustees shall determine from time to time. The trustees shall consist of two (2) classes of approximately equal size. One class, on a rotational basis, shall be elected each year. Each of such trustees shall serve for a term of two (2) years and until his or her successor is elected and qualified, or until such trustee's earlier death, resignation, incapacity to serve, or removal.

Section 3.3 Election of Trustees. Except as provided in Section 3.6 below relating to vacancies, trustees shall be elected by the Board of Trustees at any properly noticed board meeting. Nominations for new members may be made by any existing trustee from the floor or presented to the board in advance of a proper board meeting. Trustees must be elected by a majority of board members to be deemed to have been elected. If any trustee then holding office so demands, the election of trustees shall be by secret ballot. If a trustee is elected at any time during the calendar year, the end of that calendar year shall be considered the end of year one of that trustee's term.

Section 3.4 Resignation of Trustees. A trustee may resign by delivering written notice to the Board of Trustees, or verbal notice to the board, recorded in the minutes, at a properly noticed board meeting. A resignation is effective when the notice is received unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Trustees may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date.

Section 3.5 Removal of Trustees. A trustee may be removed without cause by the vote of two-thirds (2/3) of the trustees then in office. In addition, a trustee may be removed by the affirmative vote of a majority of the trustees then

in office for failing to attend two (2) consecutive, regular meetings of the Board of Trustees. If any two trustees, ~~or the executive trustee and any one trustee,~~ feel that another trustee is not fulfilling their obligations to the Board of Trustees, those trustees may ask that board member be removed from the board. A trustee may be removed for this cause by the vote of two-thirds (2/3) of the trustees then in office, such a vote shall be conducted by secret ballot.

Section 3.6 Vacancies. If a vacancy occurs on the Board of Trustees, the Board of Trustees may fill the vacancy; only by the affirmative vote of a majority of all the trustees remaining in office or by the sole remaining trustee. A trustee elected to fill a vacancy shall hold office until the next annual meeting of the Board of Trustees, or until such time as Board of Trustees provides at the time the vacancy is filled, or until the end of the unexpired term that such trustee is filling or until such trustee's death, resignation, removal or disqualification, or until such trustee's successor is elected and qualifies.

Section 3.7 Chair and Vice Chair. The Chair of the Board of Trustees shall serve as the chairperson of the Board of Trustees and shall preside at all meetings of the Board of Trustees, or designate another person to do so, and perform such other duties as may be prescribed from time to time by the board. The Vice Chair shall serve as vice chairperson of the Board of Trustees and, in the absence of the Chairehair, or in the event of the ~~death,~~ inability or refusal to act of the Chairehair, shall preside at all meetings of the board.

Section 3.8 No Compensation. The Board of Trustees shall not permit compensation of trustees for their services as such. Trustees may be reimbursed upon approval by the Board for expenses incurred on behalf of the corporationHabitat.

Section 3.9 Staff. Paid staff may not serve as board members while they are paid by the organization or any subchapter. Former staff may serve as board members as long as they are no longer receiving compensation from the organization. Staff may attend and participate in board meetings unless the Board of Trustees feels there is good cause to require that they do not attend a whole or any portion of a board meeting. Staff concerns should not be addressed by the board in front of other staff members.

3.10 Obligations of the Board. All Board Members are advocates for the George Peabody Library. The Board Members shall be aware of the vital importance of the reputation of the Library and its uniqueness in the State of Vermont and shall at all times seek to maintain positive interaction with library users. The Board Members will have the responsibility of safeguarding the residents' right to read what they choose. The Board Members will assure that the Library fulfills that right and gives impartial service to all.

3.11 American Library Association Code of Ethics. The Board Members will follow and respect the American Library Association Codes of Ethics for Board Members and Librarians. The Board Members will review and set policies as needed and assure that all Policies and Strategic Plans of the Board are followed.

ARTICLE IV

MEETINGS OF TRUSTEES

Section 4.1 Place of Meetings. All meetings of the Board of Trustees shall be held at such time and location as the Board of Trustees may determine.

Section 4.2 Annual Meeting. The annual meeting of the George Peabody Library, for the purpose of electing trustees, appointing officers, and transacting other business, shall be held generally during November at the George Peabody Library or Virtually with two (2) weeks notice given to all parties. This meeting may be concurrent with the regularly scheduled November Board of Trustees Meeting, in this case no special notice shall be required. The Board of Trustees may choose to hold this meeting ~~in~~ another month at its discretion, in this case the meeting must be noticed at least 2 weeks in advance.

Section 4.3 Regular Meetings. Regular meetings of the Board of Trustees shall be held at minimum quarterly during the year, at such times as the Board of Trustees may determine.

Section 4.4 Special Meetings. Special meetings of the Board of Trustees may be called ~~by or~~ at the request of the Chairehair or majority of the trustee~~twenty percent (20%) of the trustees~~ then in office.

Section 4.5 Notice of Meetings. Regular meetings of the Board of Trustees may be held without notice if the date, time and place of the meeting previously has been fixed by the board; otherwise, regular meetings must be preceded by at least two (2) weeks notice to each trustee of the date, time, place and purpose of the meeting. Notice required by the foregoing provisions may be given by any usual means of communication and may be oral or written. However, any board action to remove a trustee or to approve a matter that would require approval by the board, shall not be valid unless each trustee is given at least seven (7) days' written notice that the matter will be voted upon at a trustees' meeting or unless notice is waived pursuant to Section 4.6 below. Oral notice is effective when communicated, if communicated in a comprehensible manner. Written notice, if in a comprehensible form, is effective at the earliest of the following: (a) when received; (b) five (5) days after its deposit in the United States mail, as evidenced by the post mark, if mailed correctly addressed and with first class postage affixed; (c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed

by or on behalf of the addressee; or, (d) thirty (30) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with other than first class, registered or certified postage affixed. Written notice is correctly addressed to a trustee if addressed to the trustee's address shown in the corporation's current list of trustees.

Section 4.6 Waiver of Notice. A trustee may at any time waive any notice required by law or these bylaws. Except as hereinafter provided in this section, the waiver must be in writing, signed by the trustee entitled to the notice, and filed with the minutes or the corporate records. A trustee's attendance at or participation in a meeting waives any required notice of the meeting unless the trustee upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with law or these bylaws objects to lack of notice and does not thereafter vote for or assent to the objected to action.

Section 4.7 Quorum. A quorum of the Board of Trustees consists of a majority of trustees in office immediately before a meeting begins.

Section 4.8. Manner of Acting. If a quorum is present when a vote is taken, the affirmative vote of a majority of trustees present is the act of the Board of Trustees, unless the vote of a greater number of trustees is required by law or these bylaws.

Section 4.9 Presumption of Assent. A trustee of the George Peabody Library who is present at a meeting of the Board of Trustees or a committee of the Board of Trustees when action is taken is deemed to have assented to the action taken unless: (a) such trustee objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting; or, (b) such trustee's dissent or abstention from the action taken is entered in the minutes of the meeting; or, (c) such trustee delivers written notice of dissent or abstention to the presiding officer of the meeting before adjournment or to the Board of Trustees immediately after adjournment of the meeting. The right of dissent or abstention is not available to a trustee who votes in favor of the action taken.

Section 4.10 Meeting Via Communications Equipment. The Board of Trustees may permit any or all trustees to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all trustees participating may simultaneously hear each other during the meeting. A trustee participating in a meeting by this means is deemed to be present in person at the meeting.

Section 4.11 Action Without Meeting. Action required or permitted by law or these bylaws to be taken at a meeting of the Board of Trustees may be taken without a meeting if the action is taken by a majority of the duly elected and qualified trustees of the George Peabody Library. The action must be evidenced

by one or more written consents describing the action taken, agreed by each trustee, and included in the minutes of the next official meeting of the Board of Trustees, reflecting the actions taken and the result of the trustees vote. This may be done by email with the trustees agreement or dissent returned by email. Actions taken under this section are effective when enough board members as required by these bylaws, vote their assent to pass the measure, or when otherwise stated in the measure passed. A consent agreed to under this section has the effect of a meeting vote and may be described as such in any document.

Section 4.12 Trustee Conflict of Interest Transactions. A conflict of interest transaction is a transaction with the George Peabody Library in which a trustee has a direct or indirect interest. For purposes of this section, a trustee has an indirect interest in a transaction including but not limited to: (a) another entity in which the trustee has a material interest or in which the trustee is a general partner is a party to the transaction, or (b) another entity of which the trustee is a trustee, officer, or trustee is a party to the transaction. A conflict of interest transaction is not voidable or the basis for imposing liability on the trustee if the transaction was fair at the time it was entered into or is approved in advance as hereinafter provided. A transaction in which a trustee has a conflict of interest must be approved in advance by the vote of the Board of Trustees or a committee of the board if, including but not limited to: (a) the material facts of the transaction and the trustees interest are disclosed or known to the board or committee of the board; and, (b) the trustees approving the transaction in good faith reasonably believe that the transaction is fair to the corporation. For purposes of this section, a conflict of interest transaction is approved if it receives the affirmative vote of a majority of the trustees on the board or on the committee, who have no direct or indirect interest in the transaction, but a transaction may not be approved under this section by a single trustee. If a majority of the trustees on the board who have no direct or indirect interest in the transaction vote to approve the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a trustee with a direct or indirect interest in the transaction does not affect the validity of any action taken under this section if the transaction is otherwise approved as hereinabove provided.

ARTICLE V

OFFICERS

Section 5.1 Number. The officers of the corporation shall consist of a ~~Chair~~^{Chair}, Vice Chair, Secretary, and a Treasurer, and such assistant secretaries, treasurers and other officers as are elected by the Board of Trustees from time to time. No more than two (2) of the four (4) principal offices may be held by the same person.

Section 5.2 Appointment and Term. The principal officers of the corporation shall be elected by the Board of Trustees at its annual meeting. ~~Any trustee may~~~~The Nominating Committee shall~~ present a ~~slate of nominees~~ ~~nominee~~ for appointment. ~~Nominations may also be made from the floor.~~ All nominees for the four (4) principal offices must be members of the Board of Trustees. Each officer shall hold office for a period of one (1) year, or until such officer's death, resignation, or removal, ~~or until such officer's death, resignation, or removal,~~ or until such officer's successor is elected and qualifies. The Board of Trustees may appoint assistant secretaries, assistant treasurers and other officers at such time or times as the need may arise. A vacancy occurring in a position of officer of the George Peabody Library may be filled at any time by the Board of Trustees. The term of an officer elected to fill a vacancy shall expire at the end of the unexpired term that such officer is filling.

Section 5.3 Resignation and Removal. An officer may resign at any time by delivering notice to the Board of Trustees. A resignation is effective when the notice is effective unless the notice specifies a future effective date. If a resignation is made effective at a future date and the Board of Trustees accepts the future effective date, the Board of Trustees may fill the pending vacancy before the effective date if the board provides that the successor does not take office until the effective date. The Board of Trustees may remove any officer at any time with or without cause.

Section 5.4 Contract Rights of Officers. The election of an officer does not itself create contract rights. An officer's removal does not affect the officer's contract rights, if any, with the George Peabody Library. An officer's resignation does not affect the corporation's contract rights, if any, with the officer.

Section 5.5 Chair. The Chair shall serve as the Chair of the Board of Trustees, and subject to the control of the Board of Trustees, supervise and control the management of the George Peabody Library in accordance with these bylaws. The Chair may sign, with ~~the~~ any other proper officer of the George Peabody Library so authorized by the Board of Trustees, any deeds, leases, mortgages, bonds, contracts, or other instruments which lawfully may be executed on behalf of the corporation, except where the signing and execution thereof expressly shall be delegated by the Board of Trustees to some other officer or agent of the corporation, or where required by law to be otherwise signed and executed. The Chair shall serve as the chairperson of the Board of Trustees and shall preside at all meetings of the Board of Trustees or nominate another person to do so. The Chair shall also work with the trustees to prepare an annual report for inclusion in the Town Report and in general, perform all duties incident to the office of Chair and such other duties as may be prescribed from time to time by the Board of Trustees.

Section 5.6 Vice Chair. In the absence of the Chair, or in the event of the inability or refusal to act of the Chair, the Vice Chair, unless otherwise determined by the

Board of Trustees, shall perform the duties of the Chair and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair. The Vice Chair shall also serve as vice chairperson of the Board of Trustees and, in the absence of the Chair, or in the event of the inability or refusal to act of the Chair, shall preside at all meetings of the board. The Vice Chair shall perform such other duties as may be assigned from time to time by the Chair or the board of trustees.

Section ~~5.75-6~~ Secretary. The ~~Secretary~~secretary shall: cause to be prepared minutes of all meetings of the Board of Trustees and authenticate records of the George Peabody Library when requested to do so; give all notices required by law and by these bylaws; have general charge of the corporate books and records and of the corporate seal, and affix the corporate seal to any lawfully executed instrument requiring it; sign such instruments as may require such signature; cause such corporate reports as may be required by state law to be prepared and filed in a timely manner; and in general, perform all duties incident to the office of ~~Secretary~~secretary and such other duties as may be assigned from time to time by the ~~Chair~~chair or the Board of Trustees.

Section ~~5.85-7~~ Treasurer. The Treasurer shall: have custody of all funds and securities belonging to the corporation and receive, deposit or disburse the same under the direction of the Board of Trustees; keep full and accurate accounts of the finances of the corporation in books or electronic files especially provided for that purpose, or supervise the books kept by a book keeper or other employee of the organization; cause such returns, reports and/or schedules as may be required by the Internal Revenue Service and the state taxing authorities to be prepared and filed in a timely manner; cause a true balance sheet (statement of the assets, liabilities and fund balance) of the corporation as of the close of each fiscal year and true statements of activity (support and revenue, expenses, and changes in fund balance), functional expenses, and cash flows for such fiscal year, all in reasonable detail, to be prepared and submitted to the Board of Trustees; and in general, perform all duties incident to the office of Treasurer and such other duties as may be assigned from time to time by the ~~Chair~~chair or the Board of Trustees.

Section ~~5.95-8~~ No Compensation. The principal and assistant officers of the corporation described in the foregoing sections shall not be compensated for their services as such.

ARTICLE VI

THETFORD LIBRARY FEDERATION AND LATHAM LIBRARY BOARDS

Section 6.1 The Board of Trustees shall work with the Thetford Library Federation to ensure that the George Peabody Library continues to provide services as part of a unified library system within the Thetford community. The George Peabody Library is a member of the Thetford Library Federation and is represented by an officer appointed by the Board of Trustees. The Board of Trustees is empowered to work, through the representative, with the Thetford Library Federation to support the unified library system and to secure funding from the Town of Thetford, dispersed through the Thetford Library Federation, for library operations. Participation as a member of the Thetford Library Federation supports town-wide efforts that in the opinion of the Board of Trustees will advance the mission of the George Peabody Library.

Section 6.2 The Board of Trustees shall work with the Latham Library board to ensure that the George Peabody Library continues to provide services to the Thetford community. The board is empowered to work in collaboration with the Latham Library Board to secure: funding, full or part time employees, town participation, and any other goods, services, or support that in the opinion of the Board of Trustees will advance the mission of the George Peabody Library.

ARTICLE VII

HISTORICAL BUILDING AND COLLECTION

Section 7.1 The George Peabody Library controls a historic building located at 7922 VT Route 113, Post Mills, Vermont. The Board of Trustees shall keep and maintain this historic building and ensure that it stays in a condition that allows it to continue to be used as a library. No modifications to the building shall be permitted if they endanger the building's historic status or render it unfit for use as a library.

Section 7.2 Open to the public. The Board of Trustees shall ensure that the George Peabody library remains open to the public and the people of Thetford for use as a public library.

Section 7.3 Historic Collection. The Board of Trustees shall hold and maintain all items from the original library collection currently controlled by the George Peabody Library. In the event of dissolution of the library the original library collection is to be donated to the Thetford Historical Society.

Section 7.4 Modern Collection. The Board of Trustees shall maintain a modern collection of books and similar items so the George Peabody Library may serve the people of Thetford as a library. This collection may be modernized, modified, expanded or reduced at the discretion of the Board of Trustees and any employees, provided that any such changes are meant to further the purpose of the George Peabody Library to serve as a public library.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1 Corporate Seal. The corporate seal of the corporation shall be in such form as the Board of Trustees may from time to time determine.

Section 8.2 Amendments. These bylaws may be amended or repealed and new bylaws may be adopted by the Board of Trustees. The Board of Trustees shall provide at least fourteen (14) days' written notice of any meeting of trustees at which an amendment is to be approved, unless notice is waived pursuant to Section 4.6 above. The notice must state that the purpose, or one of the purposes, of the meeting is to consider a proposed amendment to the bylaws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment. Any amendment must be approved by two-thirds (2/3) of the trustees in office at the time the amendment is adopted.

Section 8.3 Fiscal Year. The fiscal year of the George Peabody Library shall be from ~~January 1 to December 31~~ ~~July 1 and end on June 30~~ of each year.

Section 8.4 Financial Reports. The books of the George Peabody Library shall be closed as of the end of each fiscal year and financial statements shall be prepared and submitted to the Board of Trustees (see Section 5.8 regarding duties of the Treasurer). The Board of Trustees may seek to engage an independent certified public accountant to audit or review the financial statements annually.

Section 8.5 Corporate Minutes and Records. The George Peabody Library shall keep as permanent records minutes of all meetings of its Board of Trustees, a record of all actions taken by the trustees without a meeting, and a record of all actions taken by the Executive Committee and any other committees of the Board of Trustees. The George Peabody Library shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time. The George Peabody Library shall keep a copy of the following records at its principal office: (a) its articles of incorporation or restated articles of incorporation and all amendments to them currently in effect; (b) its bylaws or restated bylaws and all amendments to them currently in effect; (c) a list of the names and business or home addresses of its current trustees and officers; and, (d) its most recent annual report delivered to the ~~Secretary~~ ~~secretary~~ of state, as required by the Vermont Nonprofit Corporation Act. The minutes and records described above shall be made available for inspection by current trustees of the George Peabody Library during normal business hours. In addition, to the extent required by applicable law, the George Peabody Library shall make available for

inspection during regular business hours, by any individual, copies of: (i) any application filed with and any letter or other document issued by the Internal Revenue Service with respect to the tax exempt status of the corporation; and, (ii) the annual returns filed with the Internal Revenue Service for the three most recent years (to the extent the corporation is required to file such returns); provided, that the names and addresses of contributors to the corporation may be kept confidential.

Section 8.6 Investments. The George Peabody Library shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Trustees without being restricted to the class of investments which a trustee or trustee is or may hereafter be permitted by law to make or any similar restriction; provided, that no action shall be taken by or on behalf of the corporation if such action is a forbidden activity or would result in the denial of tax exempt status under Section 501(c)(3) of the Internal Revenue Code, as amended.

Section 8.7 Checks and Drafts. All checks, drafts or other orders for the payment of money issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees; provided, that any check, draft or other order for the payment of an amount in excess of One Thousand Dollars (\$1,000.00) shall require two (2) authorized signatures.

Section 8.8 Prohibited Activities. The George Peabody Library is organized as a nonprofit corporation exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, as amended. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these articles of incorporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in any political campaign on behalf of or in opposition to any candidate for public office. Anything contained in these bylaws to the contrary notwithstanding, the corporation shall not carry on or otherwise engage in any activities not permitted to be carried on or engaged in by: (1) a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as amended, or any corresponding section of any future tax code; or, (ii) a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, as amended, or any corresponding section of any future tax code; or, (iii) a corporation organized and existing under the Vermont Nonprofit Corporation Act.

Section 8.9 No Loans To or Guaranties For trustees. The George Peabody Library may not lend money to or guarantee the obligation of a trustee or officer of the corporation, but the fact that a loan or guaranty is made in violation of this section does not affect the borrower's liability on the loan.

Section 8.10 Indemnification. The George Peabody Library shall indemnify a trustee who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the trustee was a party because he or she is or was a trustee of the George Peabody Library, against reasonable expenses actually incurred by the trustee in connection with the proceeding. An officer of the George Peabody Library who is not a trustee is entitled to indemnification to the same extent as a trustee. In addition, if an individual is made a party to a proceeding because the individual is or was a trustee, officer, employee or agent of the corporation, the Board of Trustees may, to the extent permitted by law, authorize the corporation to advance expenses to such individual and/or indemnify such individual against liability incurred in the proceeding. The Board of Trustees shall be required to maintain adequate liability insurance for its projects and adequate liability insurance for the trustees.

8.11 Insurance – The Board of Trustees shall maintain insurance in an amount it deems reasonable to cover the organization and any trustees, employees, or guests from unforeseen injury or accident, as well as insurance to cover the building, the collection, and any other physical assets the George Peabody Library may have.