

AMENDED BYLAWS OF MONTANA MEDIATION ASSOCIATION

ARTICLE I ASSOCIATION OFFICES

1.01 **Principal Office.** The principal office of the Montana Mediation Association (the 'Association') shall be in Montana at such place as the Board of Directors (the "Board") shall from time to time determine. The Association may have such other offices as the Board may select from time to time.

1.02 **Registered Office.** The registered office of the Association required by the Montana Nonprofit Corporation Act to be maintained in the State of Montana may be, but need not be, identical with the principal office in the State of Montana, and the address of the registered office and registered agent may be changed from time to time by the Board.

ARTICLE II PURPOSES AND POWERS

2.01 **General Purpose. Philosophy and Powers.** The purpose and objectives of this Association shall be:

- (a) to promote mediation and other voluntary collaborative methods of conflict resolution;
- (b) to increase public understanding and acceptance of mediation and other appropriate processes of conflict resolution by presenting meaningful information to the general public, the courts, the legislature, and other interested professionals;
- (c) to define standards of practice and ethics for Full Members of the Association;
- (d) to support the professional growth and development of mediators, other neutrals, and dispute resolution programs;
- (e) to receive and administer funds from grants, donations, and government funding; and
- (f) to do and perform any other and further acts which may be proper and lawful for the accomplishment of any or all of the foregoing purposes.

2.02 **Philosophy.** The dispute resolution philosophy of the Association shall be:

- (a) that the Association promotes the philosophy that conflict is natural and, when addressed in a constructive manner, can be an opportunity for personal growth and understanding;

- (b) that constructive methods of dispute resolution are valuable because the adversarial processes of adjudication through our legal system are often counterproductive or destructive to those involved in conflict situations;
- (c) that mediation is a non-adversarial process for dispute resolution and conflict management that is likely to bring about relief and a lasting cooperative relationship for those facing conflict situations;
- (d) that the Association seeks to foster the development of the mediation process through education, dissemination of information, and other means available, for the good of the public; and
- (e) that the members of the Association are encouraged to settle disputes among themselves in conformity with a dispute resolution procedure designed by the Association.

2.03 **Powers.** The Association may engage in any activity consistent with its Articles of Incorporation and which the Board determines to be in furtherance of the charitable purposes for which this Association was formed.

2.04 **Exempt Activities.** Notwithstanding any other provision of these Bylaws, no director officer, employee, or representative of the Association shall take any action or carry on any activity by or on behalf of the Association not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they hereafter may be amended, or by an organization to which contributions are deductible under Section 170(c)(2) of such Code and Regulations as they now exist or as they hereafter may be amended. No substantial part of the activities of the Association shall be the carrying on of any propaganda, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. The organization shall not take a public position on any public policy issue without the express, prior, written authorization of the Board of Directors.

ARTICLE III **MEMBERSHIP**

3.01 **Membership.**

- (a) **Classes of Membership.** The Association shall have three (3) classes of membership: Full, Associate, and Student.
 - (1) **Full Membership.** To attain a Full Membership in the Association the applicant must:
 - (i) meet the requirements of the Association's Standards of Practice;

- (ii) subscribe to the Association's Ethical Guidelines for Full Members;
 - (iii) be interested in furthering the purposes of the Association;
 - (iv) complete a membership application; and
 - (v) be current in the payment of annual dues and assessments.
- (2) Associate Membership. To attain an Associate Membership in the Association the applicant must:
 - (i) be interested in furthering the purposes of the Association;
 - (ii) complete a membership application; and
 - (iii) be current in the payment of annual dues and assessments.
- (3) Student Membership. To attain a Student Membership in the Association the applicant must:
 - (i) be a full-time student interested in mediation;
 - (ii) complete a membership application; and
 - (iii) be current in the payment of annual dues and assessments.
- (b) Membership Admission. To be initially admitted as a member of the Association, the applicant must:
 - (1) submit a written application for admission and provide such other information as the Board may require, and shall become a member upon approval by the Board at a duly convened meeting of the Board: and
 - (2) make payment of annual dues.
- (c) Nontransferability of Membership. Membership in this Association is nontransferable and nonassignable.
- (d) Termination of Membership. The Association may suspend or terminate membership in the Association upon the Board's good faith determination that the member's conduct is inconsistent with the rules, policies or purposes of the Association, and in accordance with a procedure, designed by the Ethics Committee and approved by the Board, which shall be fair and reasonable and carried out in good faith and takes into consideration all relevant facts and circumstances.

- (e) Membership Term and Expiration. Membership shall commence when, and shall continue for the calendar year in which, the requirements of Section 3.01(b) have been satisfied. After initial application and acceptance, a member may extend membership for additional periods of one calendar year each, without reapplication, by timely payment of annual dues. The membership year shall commence on the first day of January each year. The Board shall establish the conditions under which memberships lapse for non-payment of dues.
- (f) Resignation. A member shall be deemed to have resigned from the Association by any of the following:
 - (i) written notice of resignation from the Association;
 - (ii) death of the member; or
 - (iii) failure of the member to pay any required dues or assessments of the Association within thirty (30) days of the date due.
- (g) Membership in the Association is unrestricted with regard to race, religion, sex, sexual orientation, creed, color, age, political persuasion or national origin.

3.02 Dues and Assessments.

- (a) Dues. Annual membership dues shall be established by the Board from time to time. The Board may establish a different amount of dues to be paid by different types of membership.
- (b) Assessments. The Board, by majority vote of those present at a duly convened regular or special meeting of the Board, may provide for a special assessment for a specified project. Any special assessment must be for a purpose included in the Purposes of the Association.

3.03 Annual Membership Meeting. The annual meeting of the Members of the Association shall be held at a time and at a place in the State of Montana determined by the Board for the purpose of electing directors and for the transaction of any other business as may properly come before the meeting.

3.04 Special Membership Meetings. Special meetings of the members may be called by resolution of the Board upon not less than fifteen (15) days notice to all members or upon the written request to the Board of at least 25% of the Members, which shall be delivered to the President or Secretary/Treasurer of the Association and shall state the issues and purposes to be addressed at the Special Membership Meeting. No other business but that specified in the notice may be transacted at a Special Membership Meeting.

3.05 Place of Membership Meeting. The Board may designate any place as the

meeting place for any regular or special meeting of the members. The members may change the meeting place if all the members entitled to vote at the meeting agree by written consent to another location. If the Board does not designate a meeting place, then the members shall meet at the principal office of the Association.

3.06 **Notice of Membership Meeting.**

- (a) **Notice of Meeting.** The Secretary/Treasurer of the Association shall deliver notice of the membership meeting to each member of record, not less than thirty (30) days or more than sixty (60) days prior to the date of the meeting. Notice shall be delivered by mail, and shall be deemed effective upon the date when the notice was deposited in the United States mail, postage prepaid and addressed to the member's address on the Association's record books.
- (b) **Adjourned Meeting.** If members adjourn a membership meeting to a different date, time or place, the Secretary/Treasurer need not give notice of the new date, time and place, if the same is announced at the meeting before adjournment.
- (c) **Waiver of Notice.** A member entitled to a notice may waive notice of the meeting by a writing signed by the member included in the minutes or filed with the corporate records.
- (d) **Contents of Notice.** Unless the Montana Nonprofit Corporation Act requires it, the notice of an annual membership meeting need not include a description of the meeting's purpose or purposes. However, notice of each special membership meeting shall include a description of the meeting's purpose or purposes.

3.08 **Fixing of Record Date.** The Board may fix in advance of any meeting a date, referred to as the Record Date, for the purpose of determining which members, as of a certain date, are entitled to receive notice of the special meeting. The Board may also fix specific rights for members of record as of the Record Date.

3.09 **Membership List.**

- (a) **Contents of List.** After the Board fixes a Record Date for notice of a meeting, the officer maintaining the Corporation's record books shall prepare a complete record of the members entitled to notice of the meeting.
- (b) **Inspection.** The membership list must be available for inspection by any member, beginning two (2) business days after the Secretary/Treasurer gives notice of the meeting for which the list was prepared. The list shall be located for inspection at the Corporation's principal office. A member, the member's agent, or attorney is entitled on written demand to inspect and copy the list during regular business hours. The member shall be responsible for any reasonable inspection and copying expenses.

- (c) **Limitations on Use of Membership List.** Without consent of the Board a membership list or any part of it may not be obtained or used by a person for any purpose unrelated to a member's interest as a member.

3.10 **Membership Quorum.** A quorum for any meeting of the Association's members shall be the Members present at that meeting.

3.11 **Voting of Membership.** Each Member is entitled to one (1) vote on each matter voted on by the Members. If a quorum exists, action on a matter (other than the election of Directors) is approved if the votes cast favoring the action exceed the votes cast opposing the action unless these Bylaws or the Montana Nonprofit Corporation Act require a greater number of affirmative votes. Three-fourths (3/4) affirmative vote of the Members is required for corporate merger and dissolution and for major asset transfers.

3.12 **Proxies.** At all membership meetings, a Member may vote in person, or by proxy. A Member may appoint a proxy to vote by signing an appointment form, either personally or by attorney-in-fact. The Association shall consider a proxy appointment valid if made in writing and filed with the Secretary/Treasurer of the Association before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date it was made, unless otherwise provided in the proxy.

3.13 **Action By Written Consent of Members.** The Members may act on any matter generally required or permitted at a membership meeting, without actually meeting, if eighty percent (80%) of the Members entitled to vote on the subject matter sign one or more written consents to the action; the Members must deliver the consents to the Association for inclusion in the minute book.

3.14 **Corporate Records.** The Association shall keep a permanent record of the minutes of all meetings of its members and Board, and a record of all actions taken by the members or the Board without a meeting. The Association shall maintain appropriate accounting records.

ARTICLE IV

BOARD OF DIRECTORS

4.01 **Management by Board of Directors.** Except as otherwise provided by law, the Articles of Incorporation, or these Bylaws, the business and affairs of the Association shall be managed by its Board. The Board's responsibilities shall include, without limitation, provision for financial stability of the Association and evaluation of the Association's operation and quality performance. The Board's responsibilities shall also include, but are not limited to establishing annual goals and objectives, developing policies, approving operational procedures, developing public and financial support, supervising financial operations, developing and evaluating programs and projects, ensuring record maintenance and long-range planning. No persons representing the Association shall make any commitments that bind the Association without prior written approval of the Board.

4.02 **Number, Qualifications and Tenure of Directors.** The Board of the Association shall consist of five (5) to nine (9) elected Directors. A majority of the Directors shall be Full Members. A Director's term shall be two years. Any Director may be reelected at the completion of his or her term.

4.03 **Election of Directors.**

- (a) **Method.** Members of the Board shall be elected by the Members in accordance with these Bylaws. Subsequent to the first election of Directors, at each annual membership meeting, the Members shall elect one-half (1/2) of the elected directors, using a staggered election format based upon a two (2) year term.
- (b) **Nomination.** The Nominating Committee of the Board may submit the names of nominees for placement on the director election ballot and nominations shall be accepted from the floor at each annual membership meeting.
- (c) **Determination.** Candidates elected to the Board shall be those candidates receiving the largest number of votes.

4.04 **Resignation.** Any Director may resign at any time by giving written notice to the President or the Secretary/Treasurer of the Association. Such resignation, which may or may not be made contingent on formal acceptance, shall take effect on the date of receipt or at any later time specified therein.

4.05 **Removal.** Any Director elected by the Board may be removed, with or without cause, at any time by a vote of the Members. A Director elected by the Members may be removed only if the number of votes cast to remove the Director would be sufficient to elect the Director at a meeting to elect Directors. A Director may also be removed if the Director misses two consecutive regularly scheduled Board meetings and it is the consensus of the Board that the Director be removed.

4.06 **Board of Director Vacancies.** If for any reason a vacancy occurs on the Board, including a vacancy resulting from an increase in the number of Directors, the Directors may fill the vacancy. If the Directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all the Directors remaining in office. If a Director resigns effective at a specific later date, the Directors may fill the vacancy before the vacancy occurs, but the new Director may not take office until the vacancy actually occurs. When the Directors elect a Director to fill a vacancy, the Director's term expires at the next membership meeting at which members elect Directors.

4.07 **Compensation.** No compensation, loan or other payment shall be paid to any Director except as authorized by the Board as reasonable compensation for services rendered and/or as a reasonable allowance for expenditures authorized by the Board and incurred on behalf of the Association, and no part of the assets or net earnings, current or accumulated, of the Association shall ever be distributed to or divided among the Directors.

4.08 **Board Committees.** The Board may constitute standing or special Committees of the Board to perform continuing functions on behalf of the Board. Committees shall have only those powers and authorities specifically given to them by resolution of the Board. Under no circumstances may a Committee exercise any power prohibited by Montana or other law, including Section 35-2-433, Montana Code Annotated. Any resolution creating a Committee of the Board shall designate its composition, and designate its powers and responsibilities. Each Committee must have two (2) or more Directors who serve at the pleasure of the Board. The standing Committees of the Association may include but are not limited to: Qualifications, Ethics, Training and Continuing Education, Finance, Public Relations and Outreach, Legislative and Judicial, Membership, Nominations, and Long Range Planning. All members are encouraged to serve on at least one standing Committee each year.

4.09 **Executive Committee.** The Executive Committee of the Board of Directors shall consist of the President, Secretary/Treasurer and at least one other Director designated for a term established by the Board. The Executive Committee is authorized to conduct the operations of the Association between regular meetings of the Board of Directors. All minutes of the Executive Committee meetings shall be provided to the full Board at or before the next regular meeting of the Board.

4.10 **Advisory Board.** The Directors may create an Advisory Board. The Advisory Board shall serve to aid the Board of Directors by making non-binding recommendations regarding how the Association can better accomplish its purposes as it, deems appropriate. The number of Advisory Board members shall not exceed ten (10). The selection of the advisory Board members shall be by invitation of the Board. Such invitation shall be made upon nomination and approval by the Board at a duly initiated Board meeting. The term for an Advisory Board member shall be for two (2) years. An Advisory Board member may resign by giving written notice to the Board. Unless otherwise specified, the resignations shall take effect upon receipt of such resignation. An Advisory Board member may be removed at any time, with or without cause, by the Board.

ARTICLE V

MEETINGS OF THE BOARD OF DIRECTORS

5.01 **Regular Meetings.** An annual meeting of the Board shall be held immediately before or after and at the same place as the annual meeting of members. In addition, the Board shall hold at least three (3) regular meetings each year at such place and time as the Board shall provide by resolution. The Board may provide, by resolution, for other regular meetings at times and places either within or without the State of Montana, without other notice than such resolution.

5.02 **Special Meetings.** Special meetings of the Board may be called by the President or upon the written request by any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix any place, within the State of Montana, as the place for holding any special meeting of the Board called by them.

5.03 **Notice of Special Meeting.** Notice of any special meeting shall be given at least five (5) days prior to the date of the meeting by written notice delivered personally or mailed to each Director at his or her business or residential address, or by telegram. If mailed, such notice shall be deemed to be given two (2) days after such notice is deposited in the United States mail so addressed, with postage thereon prepaid. If given by telegram, such notice shall be deemed given when left at the telegraph office for transmittal. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

5.04 **Urgent Board of Director Business.** The Board of Directors, having urgent business as an exception to the above meeting provisions, may meet by teleconference, or be polled by telephone, email or mail. Each Director shall be contacted or attempted to be contacted by teleconference, or be polled by telephone, email or mail. Participation in a teleconference, telephone, email or mail poll constitutes presence in person at said meeting.

5.05 **Quorum.**

- (a) **Initial Number.** A majority of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority is present, a majority of the Directors present may adjourn the meeting without further notice.
- (b) **Loss of Quorum.** If, during a meeting, Directors leave the meeting so that less than a majority of the Directors are still present at the meeting, the remaining Directors may not transact any further business of the Board, but may adjourn the meeting without further notice.

5.06 **Manner of Acting.** All decisions of the Board shall be made by a unified sense of those Directors constituting a quorum at any given meeting. A unified sense is defined as agreement by all Directors present that the course of action being considered is in the best interest of the Association. Dissent by one or more of the Directors may be registered in one of two ways.

- (a) **Standing Aside.** When an issue has been fully discussed and cannot be resolved by a unified sense of the Directors present, the dissenting Director(s) may indicate that he or she is willing to stand aside and allow the proposal to be adopted. The unresolved concern is written down with the proposal in the minutes and becomes a part of the proposal.
- (b) **Declaring a Block.** When an issue has been fully discussed and cannot be resolved by a unified sense of the Directors present, the dissenting Director(s) may indicate that he or she chooses to block the proposal. The unresolved concern in the proposal is written down and becomes a part of the minutes.

5.07 **Communications.** Any or all Directors may participate in a regular or special meeting through the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting, and a Director participating in a meeting by this means is considered to be present in person at the meeting.

5.08 **Written Consent.** Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote. A Director's consent may be temporarily evidenced by facsimile transmission of such consent provided the original of such consent is mailed contemporaneously to the corporate office for insertion in the minutes.

5.09 **Presumption or Assent.** A Director of the Association that is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting.

5.10 **Order of Business.** The order of business at any regular meeting of the Board shall be as follows:

- (a) calling of the roll;
- (b) reading of the minutes of the preceding meeting;
- (c) reports of Officers;
- (d) reports of Committees;
- (e) old or unfinished business;
- (f) new business;
- (g) adjournment.

ARTICLE VI **OFFICERS, PRESIDENT AND EMPLOYEES**

6.01 **Officers.** The officers of the Association shall be the President, Secretary/Treasurer and such other officers as the Board determines are needed. No one person may hold two offices. A majority of the Officers shall be Full Members.

6.02 **Selection and Term of Office of Officers.**

- (a) **Term.** The term of any Officer selected by the Board shall be two (2) years or for

the remainder of the Officer/Director's term on the Board, whichever period is shorter. If circumstances arise where the Board has not selected a new President or Secretary/Treasurer and the serving President or Secretary/Treasurer's term on the Board of Directors is ending, the serving President or Secretary/Treasurer shall continue to serve until the next Board meeting is held and the new officer is selected. The President may serve no more than two (2) consecutive terms.

(b) Selection of Officers.

(a) Method. Officers shall be selected by the Board of Directors in accordance with these Bylaws.

(b) Number of Officers. The Board shall select as many Officers from the Directors as the Board deems necessary, provided however, that there must be a President and Secretary/Treasurer.

6.03 **Resignation and Removal.** Any officer may be removed (without assigning cause) by a decision of the other members of the Board written notice of the action to be taken and an opportunity to respond. Upon request of any Board member the meeting will be facilitated by an external facilitator invited to the Board meeting for that purpose. The other members of the Board may declare vacant an office held by a person who is convicted of a felony or who is declared of unsound mind by an order of the court. Any Officer may resign at any time by giving written notice to the President or to the Secretary/Treasurer. Such resignation, which may or may not be made contingent on formal acceptance, shall take effect on the date of receipt or at any later time specified therein.

6.04 **Vacancies.** A vacancy in any office may be filled by a majority vote of the Board.

6.05 **Duties and Qualifications of Officers.** The Officers shall have such duties, in addition to those expressed below, as the Board shall specify from time to time:

(a) President. The President shall be the principal executive Officer of the Association. The President shall be subject to the control of the Board, and shall in general supervise and control, in good faith, all of the business and affairs of the Association. The President shall, when present, preside at all meetings of the members and of the Board. The President may sign, with the Secretary or any other proper Officer of the Association that the Board has authorized, Association deeds, mortgages, bond, contracts, or other board authorized instruments. Additional duties of the President include, but are not limited to the following: acting as the Association's spokesperson; acting as an ex-officio member of all Committees; presenting at each annual meeting an annual report of the Association's work; and ensuring that all books, reports, and certificates required by law are properly maintained and filed.

(b) Secretary/Treasurer. The Secretary/Treasurer shall provide for the keeping of the minutes of all meetings of the Board, shall send or cause to be sent appropriate

notices and prepare agendas for all meetings of the Board, shall act as custodian of all records and reports and of the corporate seal, assuring that it is affixed when required by law, to documents executed on behalf of the Association, and shall in general perform all duties incident to the office of the Secretary/Treasurer and such other duties as may from time to time be assigned by the President. The Secretary/Treasurer shall perform the duties of the President if the President is absent, dies, or is unable or refuses to act. If the Secretary/Treasurer acts in the absence of the President, the Secretary/Treasurer shall have all of the President's powers and be subject to all of the restrictions upon the President. Additional duties of the Secretary/Treasurer include, but are not limited to, filing any certificate required by any federal or state statute and sign, along with the President, all documents and contracts authorized by the Board. The Secretary/Treasurer shall cause to be kept correct and accurate accounts of the property and financial transactions of the Association and in general perform all duties incident to the office of Secretary/Treasurer and such other duties as may be assigned from time to time by the President. Additional duties of the Secretary/Treasurer include, but are not limited to the following: having the care and responsibility of all monies belonging to the Association; shall, along with the President, have authority to sign checks of the Association, however only one signature is required; rendering written accounts of the finances of the Association as the Board determines; providing leadership in preparing a projected annual budget for the Board's adoption; and chairing the Finance Committee.

- (c) Other Officers. The Board may assign such duties and responsibilities to the Directors as will serve the best interest of the Association. The Board may from time to time, and for such terms as the Board sees fit, make such assignments by the creation of offices, standing or ad hoc committees. These assignments may include part of the duties included in the enumerated duties of the President and Secretary/Treasurer. However, the Directors selected as President and Secretary/Treasurer are responsible to see that the duties enumerated in these Bylaw are completed.

6.06 **Compensation.** No compensation, loan or other payment shall be paid to any Officer of the Association except as authorized by the Board as reasonable compensation for services rendered and/or as a reasonable allowance for expenditures authorized by the Board and incurred on behalf of the Association, and no part of the assets or net earnings, current or accumulated, of the Association shall ever be distributed to or divided among any of the Officers.

ARTICLE VII **MISCELLANEOUS**

7.01 **Contracts.** The Board may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the

Association, and such authority may be general or confined to specific instances.

7.02 **Loans.** No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

7.03 **Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed by the Secretary/Treasurer or President of the Association and in such manner as shall from time to time be determined by resolution of the Board.

7.04 **Deposits.** All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depository as the Board may elect.

7.05 **Books and Records.** The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board.

7.06 **Corporate Seal.** The Board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association and the state of incorporation and the words, "Corporate Seal".

7.07 **Fiscal Year.** The fiscal year shall be the calendar year.

7.08 **Close of Fiscal Year.** At the close of the fiscal year, the President shall cause to be prepared a full and correct statement of affairs of the Association including, but not limited, a balance sheet and fiscal statement of operations for the preceding year, which shall be submitted to the Board at the first regular board meeting after sixty (60) days from the close of the fiscal year.

7.09 **Indemnification.** Except to the extent limited by Sections 35-2-446 through 35-2-454, Montana Code Annotated, the Association shall indemnify any Director or Officer or former Director or Officer of the Association against claims, liabilities, expenses and costs necessarily incurred by the person in connection with the defense, compromise or settlement of any action, suit or proceeding, civil or criminal, in which such person is made a party by reason of being or having been such Director or Officer except in connection with a proceeding by or in the right of the Association in which the Director or Officer was adjudged liable to the Association. or in connection with any other proceeding that charges improper personal benefit to the Director or Officer, whether or not involving action in his official capacity, in which the Director or Officer is adjudged liable on the basis that personal benefit was improperly received by the Director or Officer; provided that indemnification of a Director or Officer shall only be to the extent not otherwise compensated, indemnified or reimbursed by insurance.

7.10 **Investments.** The Association 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, without being restricted to the class of

investments which a Director is or may hereafter be permitted by law to make or any similar restriction; provided, however, that no action shall be taken by or on behalf of the Association if such action is a prohibited transaction or would result in the denial of the tax exemption under Section 501 (c)(3) of the Internal Revenue Code and its Regulations as they now exist, or as they may hereafter be amended.

ARTICLE VII **DISSOLUTION**

8.01 **Dissolution.** In the event of dissolution of the Association, the Board shall after paying or making provisions for the payment of all the liabilities of the Association, dispose of all the assets of the Association in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under the applicable provisions of the Internal Revenue code, as the Board shall determine. Any such assets not so disposed of shall be disposed of by the District Court of the County in which the principal office of the Association is then located exclusively for such purposes or to such organization or organizations as said Court shall determine which are organized and operated exclusively for such purposes.

9.01 **Amendments.** Proposed amendments to these Bylaws must be submitted in writing to the Board at least sixty (60) days in advance of the meeting at which they are to be acted upon. These Bylaws may be repealed, amended, or restated by a majority vote of the Full Members at any general or special meeting of the membership. There shall be a review of the Bylaws every three years by a committee appointed by the Executive Committee of the Association. The Committee shall report its findings and recommendations to the Board of Directors and to the general membership.

Amended by the General Membership at the organization's annual meeting on April 29, 2011.