

**AMENDED AND RESTATED BYLAWS  
OF  
OKLAHOMA HOSPITAL ASSOCIATION, INC.**

September 16, 2016  
(Revised October 17, 2017)

**ARTICLE I  
NAME, PURPOSES, AND OFFICE**

1.1 **Name.** The name of this nonprofit corporation is “Oklahoma Hospital Association, Inc.” (the “Corporation”).

1.2 **Purposes.** Subject to the limitations set forth in Certificate of Incorporation and the limitations applicable to nonprofit corporations in the Oklahoma General Corporation Act, the Corporation is formed exclusively for charitable and educational purposes, to promote the social welfare by representing its members and advocating on their behalf, providing services to assist its members in meeting the healthcare needs of their communities, educating the public and healthcare providers about health policy and issues, and promoting quality healthcare for Oklahomans. Subject to the foregoing, the Corporation shall have and may exercise all of the powers of nonprofit corporations under Oklahoma law.

1.3 **Restrictions.** The Corporation is an organization described in Section 501(c)(4) of the Internal Revenue Code of 1986, as amended (the “Code”). At no time, either on or before dissolution, shall any part of the net earnings of the Corporation inure to the benefit of any private shareholder or individual.

1.4 **Principal Office.** The principal office of the Corporation is located at 4000 N. Lincoln Blvd., Oklahoma City, Oklahoma 73105, or such other location as the Board of Directors may designate.

**ARTICLE II  
MEMBERSHIP**

2.1 **Membership.** Membership is available to hospitals, healthcare institutions, healthcare facilities, individuals, and other entities located in Oklahoma that are approved as members by the Board of Directors. The Board of Directors shall establish a process for the application and approval of new members and shall establish the structure of membership dues. The Board of Directors may delegate to the officers, committees, or staff of the Corporation the authority to specify the dues and other payments required for each type of membership. The Board of Directors retains final authority regarding all aspects of membership, including conditions of membership, eligibility, qualifications, processes, approvals, types, dues, and interpretations of the provisions of these Bylaws relating to membership.

2.2 **Types of Members.** The types of membership are as follows:

(a) “Type I Members” include licensed acute care hospitals other than those falling into the categories below, unless the Board of Directors determines otherwise.

(b) “Type II Members” include all other special hospitals that provide inpatient care, including long-term care hospitals, rehabilitation hospitals, and any others designated by the Board of Directors.

(c) “Type III Members” include the corporate or system headquarters or other similar centralized corporate offices of a healthcare system.

(d) “Type IV Members” include non-hospital, pre-acute and post-acute healthcare delivery and education organizations. These may include organizations, facilities, organizations, health-related institutions, and any others designated by the Board of Directors.

(e) “Type PPN Members” include businesses that have entered into agreements to participate in the OHA Preferred Partner Network.

The Board of Directors’ interpretation of these Bylaws provisions relating to membership, including conditions of membership, eligibility, qualifications, processes, approvals, types, and dues, shall be final and not subject to appeal or review.

**2.3 Regional Designations.** The Board of Directors will allocate each member to one of six Regional Designations, as follows:

- (a) Tulsa Region;
- (b) Greater Oklahoma City Region;
- (c) Northeast Region;
- (d) Northwest Region;
- (e) Southeast Region; and
- (f) Southwest Region.

The Board of Directors may, in its discretion, permit variances from these designations.

**2.4 Annual Meetings.** The members shall hold an annual meeting during the annual convention held by the Corporation, at a time and place determined by the Board of Directors, for the purpose of transacting any business that may properly come before the meeting.

**2.5 Special Meetings.** The President or the Board of Directors may call special meetings of the members.

**2.6 Notice and Place of Meetings.** Meetings of the members may be held at such places as the Board of Directors may determine. The Board of Directors shall give written notice to all members at least 60 days before any meeting. The notice shall include the date, time, and place of the meeting but need not, unless otherwise required by law, state the purposes of the meeting.

**2.7 Presence at Meetings.** The attendance of a member at any meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Members may participate in a meeting of the

members by means of conference telephone or similar communications equipment, provided that all members participating in the meeting can communicate with each other. Such participation shall be considered to be presence in person at the meeting.

2.8 **Representation of Members.** Each member is entitled to be represented at all meetings of members by its chief executive officer, chief operating officer, or another executive officer approved by the Board of Directors.

2.9 **Voting Eligibility.** Each Type I, Type II, and Type III Member is entitled to one vote on all matters presented to the membership, except the election of a Regional Chair. For the election of a Regional Chair, only those Type I, Type II, and Type III members within a Regional Designation may vote on the election of the Regional Chair of that Regional Designation.

2.10 **Quorum and Voting.** At least a majority of the voting members present shall constitute a quorum for the transaction of business at any meeting of the members. The act of a majority of the voting members present at a meeting at which a quorum is present shall be the act of the members.

2.11 **Action without Meeting.** Any action required or permitted to be taken at any meeting of the members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members were present and voted. The Secretary-Treasurer shall give prompt notice of the taking of corporate action without a meeting by less than unanimous written consent to those members who have not consented in writing. Written consent may be obtained and provided by electronic communication.

### **ARTICLE III DIRECTORS**

3.1 **Authority.** The Board of Directors shall manage and direct the business and affairs of the Corporation. The directors shall have and may exercise all authority permitted by law.

3.2 **Composition.** The Board of Directors shall consist of the following:

- (a) The Chair, Chair-Elect, Immediate Past Chair, and President;
- (b) Six Regional Chairs;
- (c) Seven At-Large Members;
- (d) Physician Member;
- (e) Voting Ex-Officio Members; and
- (f) Nonvoting Ex-Officio Members.

3.3 **Physician Member.** The Board of Directors may, in its discretion, appoint a Physician Member to serve as a member of the Board of Directors. The Board of Directors may establish qualifications for the Physician Member and the rights and privileges of directors to which the Physician Member will be entitled.

3.4 **Voting Ex-Officio Members.** In addition to the directors elected by members, members of the Corporation serving as American Hospital Association State Delegates (“Delegates”) and American Hospital Association State Alternate Delegates (“Alternates”) shall serve as ex-officio voting members of the Board of Directors.

3.5 **Nonvoting Ex-Officio Members.** The Board of Directors, in its discretion, may elect nonvoting ex-officio members of the Board of Directors. The nonvoting ex-officio members of the Board of Directors shall be entitled to all of the rights and privileges of directors, including the right to receive notices of meetings of the Board of Directors, attend and participate in meetings and serve on committees, but they may not vote as directors, serve as an officer, serve on the Executive Committee or be counted for purposes of determining whether a quorum is present at meetings of the Board of Directors.

3.6 **Eligibility.** A voting director must at all times be employed by or affiliated with a Type I, Type II, or Type III Member, unless otherwise determined by the Board of Directors. No more than one individual employed by or affiliated with a single Type I, Type II, or Type III Member shall serve concurrently as a voting director.

3.7 **Terms; Elections.**

(a) The Board of Directors shall elect the Chair-Elect for a two-year term preceding the annual meeting of the members at which the elected individual takes office. At the adjournment of the annual meeting of the members following a two-year term of office, the Chair-Elect shall become the Chair.

(b) The members of each Regional Designation entitled to vote shall elect, by majority vote, one Regional Chair, and each Regional Chair shall serve for a term of three years. No person shall serve more than two full three-year successive terms as a Regional Chair. A Regional Chair who has served two full successive terms shall be eligible for re-election as a Regional Chair after at least one year has passed since the expiration of the two successive terms. The Board of Directors shall arrange for the terms of approximately one-third of the Regional Chairs to expire each year. The term of a Regional Chair shall commence immediately following the adjournment of the next annual meeting.

(i) **Nominations.** The Nominating Committee shall request recommendations for Regional Chairs at least 60 days before an election. The chief executive officer of any Type I, Type II, or Type III Member who is entitled to vote within such Regional Designation may make recommendations for a Regional Chair of that specific Regional Designation. The Nominating Committee must receive nominations in the Corporation’s office at least 30 days before an election. The Nominating Committee shall place up to two nominees on the ballot for election.

(ii) Vacancy. If the office of Regional Chair becomes vacant as a result of the resignation, removal, or other inability or incapacity of a Regional Chair to serve, between regular elections, the unexpired term shall be filled according to the same nomination and election process for Regional Chairs in this Section, if the individual elected to fill the vacancy will have the opportunity to attend at least two regular Board of Directors meetings before the end of the term of office. If this opportunity is not available, the office shall remain vacant until the next election.

(c) The members shall elect At-Large Members for a term of three years at an annual meeting of members. No person shall serve more than two full three-year successive terms as an At-Large Member. An At-Large Member who has served two full successive terms shall be eligible for re-election as an At-Large Member after at least one year has passed since the expiration of the two successive terms. The Board of Directors shall arrange for the terms of approximately one-third of the At-Large Members to expire each year. The term of an At-Large Member shall commence immediately following the adjournment of the annual meeting at which the At-Large Member was elected.

(i) Nominations. The Nominating Committee shall determine the nominees to be placed on the ballot for At-Large Members of the Board of Directors. The Nominating Committee may place up to two names on the ballot for any position.

(ii) Vacancy. If the position of an At-Large Member becomes vacant as a result of the resignation, removal, or other inability or incapacity of an At-Large Member to serve, the Chair shall submit the names of candidates to the Board of Directors to fill the vacancy. At its next meeting, the Board of Directors shall elect an At-Large Member from the list of candidates to fill the vacancy for the remainder of the unexpired term.

(d) The members shall elect Delegates and Alternates as required by the American Hospital Association. Alternates may serve consecutive terms, one as an Alternate and one as a Delegate. Delegates may not serve consecutive terms. Terms of office shall be determined by the American Hospital Association.

(i) Nominations. The Nominating Committee shall request recommendations for Delegates and Alternates at least 60 days before an election. The chief executive officer of any Type I, Type II, or Type III (AHA/OHA) Member may make recommendations for Delegates and Alternates. The Nominating Committee must receive nominations in the Corporation's office at least 30 days before an election. The Nominating Committee shall place up to two nominees from AHA/OHA members on the ballot for election.

(ii) Vacancies. If the position of a Delegate becomes vacant as a result of the resignation, removal, or other inability or incapacity of a Delegate to serve, the Alternate shall fill the position for the unexpired term. If the position of an Alternate becomes vacant between regular elections as a result of the resignation, removal, or other inability or incapacity of an Alternate to serve, the position shall be filled according to the same nomination and election process for Alternates in this Section, if the individual elected to fill the vacancy has the opportunity to attend at least two regular Board of Directors meetings before the end of the term. If this opportunity is not available, the position shall remain vacant until the next election.

3.8 **Two Positions Held.** If an At-Large Member, Regional Chair, Delegate, or Alternate is elected as the Chair-Elect, his or her previous position shall be vacated, and a successor shall be appointed according to the vacancy provisions above.

3.9 **Removal; Resignation.** The affirmative vote of at least two-thirds of the members eligible to elect a director may remove that director from the Board of Directors with or without cause. A director may resign by submitting a written notice of resignation to the President. The resignation is effective upon receipt, unless otherwise stated in the notice.

3.10 **Regular Meetings.** The Board of Directors shall hold regular meetings at least quarterly for the transaction of business that may properly come before the meeting.

3.11 **Place of Meetings.** Meetings of the Board of Directors may be held at such places as the Board of Directors may determine or as may be specified in the notice of the meeting.

3.12 **Special Meetings.** The President, at the request of at least three directors, or the Chair may call special meetings of the Board of Directors. The meeting shall be scheduled within 30 days of the request. The Secretary-Treasurer shall give notice of the meeting to each director at least five business days before the meeting. The notice shall include the date, time, and place of the meeting but need not, unless otherwise required by law, state the purposes of the meeting.

3.13 **Quorum and Voting.** At least a majority of the directors, excluding any vacancies, present in person, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Each voting director is entitled to one vote on matters presented to the Board of Directors. Directors may not vote by proxy. Except as otherwise specified in these Bylaws, the act of a majority of voting directors present in person at a meeting at which a quorum is present shall be the act of the Board of Directors.

3.14 **Presence at Meeting.** The attendance of a director at any meeting shall constitute waiver of notice of the meeting, except where a director attends a meeting for the purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Directors or members of any committee of the Board of Directors may participate in a meeting of the Board of Directors or committee by means of conference telephone or similar communications equipment, provided that all directors participating in the meeting can communicate with each other. Such participation shall be considered to be presence in person at the meeting.

3.15 **Action without Meeting.** Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken is signed by all voting members of the Board of Directors or such committee. Written consent may be obtained and provided by electronic communication.

3.16 **Compensation.** The Corporation shall not pay any stated compensation to directors for their services as directors. The Corporation may reimburse directors for the actual and reasonable expenses incurred in attending any meeting of the Board of Directors or of any

committee.

## **ARTICLE IV OFFICERS**

4.1 **Officers.** Other than the Chair, Chair-Elect, and Immediate Past Chair, at each regular meeting, the Board of Directors shall elect the officers of the Corporation as may be necessary to enable the Corporation to sign instruments that comply with the Oklahoma General Corporation Act. Officers shall include a President and Chief Executive Officer and a Secretary-Treasurer. The Board of Directors may elect other officers as it deems advisable.

4.2 **Eligibility.** To be eligible for election as an officer, an individual must reside in Oklahoma and, unless otherwise determined by the Board of Directors, serve as chief executive officer or chief operating officer regularly performing the duties of the chief executive officer of a Type I, Type II, or Type III Member at the time of election and during the term of office (verification of the duties of the chief operating officer must be furnished by the Type I, Type II, or Type III Member).

4.3 **Terms.** Other than the Chair, Chair-Elect, and Immediate Past Chair, each officer shall serve for a two-year term beginning with the adjournment of the regular meeting of the Board of Directors at which the officer was elected.

4.4 **Vacancies.** If the Chair becomes unable to perform the duties of the office, the Chair-Elect will succeed to the office of Chair. If both the Chair and Chair-Elect become unable to perform the duties of their offices, the Board of Directors shall appoint, from among its members, a Chair to serve for the remaining portion of the unexpired term and until a new Chair is elected at the next annual meeting of the members. If the office of the Chair-Elect becomes vacant, the Chair shall submit the names of candidates to fill the vacancy to the Board of Directors. At its next meeting, the Board of Directors shall elect a Chair-Elect from the list of candidates to serve the remainder of the unexpired term.

4.5 **Duties.** The officers of the Corporation shall perform the duties usually assigned to such officers, including the following, except as may otherwise be provided in these Bylaws:

(a) The Chair shall perform all duties incident to the office of Chair, including presiding at all meetings of the members and the Board of Directors, submitting an annual report to the membership at the annual meeting of the members, and carrying out such other duties as may be assigned by the Board of Directors.

(b) The Chair-Elect shall automatically become Chair at the adjournment of the annual meeting of the members two years following his or her election as Chair-Elect. In the absence of the Chair, the Chair-Elect shall perform the duties of the Chair. The Chair-Elect shall perform such other duties as may be assigned by the Chair and the Board of Directors.

(c) The Immediate Past Chair shall serve as the Chair of the Nominating Committee and perform other duties as may be assigned from time to time by the Chair and the Board of Directors.

(d) The President is the chief executive officer of the Corporation and shall have general responsibility, under the direction of the Board of Directors, for the supervision and control of all the business and affairs of the Corporation. The President shall be a member of the Board of Directors. The President may sign, with other duly authorized officers of the Corporation, any deeds, bonds, or contracts requiring special authorization from the Board of Directors; and, with or without the signature of another officer of the Corporation, the President, and those authorized by the President, may sign such other instruments as may be consistent with the general authority assigned to the President by the Board of Directors. In general, the President will perform all duties incident to the office of President and such other duties as may be assigned by the Board of Directors.

(e) The Secretary-Treasurer shall keep corporate records, shall give notice of, attend, and record minutes of meetings of members and directors, and shall be responsible for developing budgets and reporting to the Board of Directors on the financial affairs of the Corporation. The Secretary-Treasurer shall, in general, perform all duties incident to the office and such other duties as the Board of Directors or the Chair may assign.

## **ARTICLE V COMMITTEES**

### **5.1 Executive Committee.**

(a) **Composition.** The Executive Committee of the Board of Directors shall be composed of the Chair, Chair-Elect, Immediate Past Chair, President, and one At-Large Member. At its regular meeting, the Board of Directors shall elect one of its current members to serve as the At-Large Member of the Executive Committee for a one-year term beginning at the conclusion of the meeting at which the member was elected.

(b) **Functions.** The Executive Committee may meet at stated times or on notice to all of its members. During intervals between meetings of the Board of Directors, the Executive Committee shall generally perform the duties and exercise the full powers of the Board of Directors. The Executive Committee shall report on its actions at the next meeting of the Board of Directors. The Executive Committee shall make recommendations to the Board of Directors regarding the business of the Corporation and shall be responsible for evaluating the performance of the Chair and other officers. The Board of Directors may delegate additional responsibilities to the Executive Committee.

### **5.2 Nominating Committee.**

(a) **Composition.** The Nominating Committee shall be composed of the past Chairs eligible to serve as members of the Board of Directors. The Immediate Past Chair shall serve as the chair of the Nominating Committee.

(b) **Functions.** The Nominating Committee shall use criteria approved by the Board of Directors to nominate candidates for Regional Chairs, At-Large Members, Delegates, and Alternates and shall distribute the names of its nominees to the members not less than ten nor more than 90 calendar days before an election.

**5.3 Additional Committees, Councils, and Task Forces.** The Board of Directors may establish additional committees, councils, and task forces as it considers necessary or appropriate for the governance or operations of the Corporation. The Chair shall appoint members and chairs of all committees, councils, and task forces, other than the Executive Committee and Nominating Committee. Each committee, council, and task force may consist of one or more directors of the Corporation and shall have such name or designation as the Board of Directors may determine. The Chair may, subject to the approval of the Board of Directors, designate one or more directors as alternate members of any committee, council, or task force who may replace any absent or disqualified member at any meeting of the committee, council, or task force. Committees, councils, and task forces may generally perform duties and exercise authority as may be directed or delegated by the Board of Directors. Each committee, council, and task force shall regularly report to the Board of Directors. The Chair may appoint individuals who are not directors to serve as members of a committee, council, or task force, subject to the approval of the Board of Directors.

**5.4 Quorum and Voting.** A majority of the members of any committee, council, or task force present in person constitutes a quorum. Each committee, council, or task force member is entitled to one vote on matters presented to such committee, council, or task force. Members may not vote by proxy. Except as otherwise specified in these Bylaws, the act of a majority of voting committee, council, or task force members present in person at a meeting at which a quorum is present shall be the act of the committee, council, or task force.

**5.5 Vacancies.** The Chair may fill vacancies on any committee, council, or task force, subject to the approval of the Board of Directors.

## **ARTICLE VI AFFILIATED SOCIETIES**

The Corporation shall establish an affiliation agreement with societies representing affiliated societies and related interest groups to assure coordination of efforts in the areas of education, advocacy, and representation.

## **ARTICLE VII OKLAHOMA HOSPITAL EDUCATION AND RESEARCH INSTITUTE**

The Corporation, as the sole member of Oklahoma Hospital Education and Research Institute, an Oklahoma nonprofit corporation, shall vote, furnish any necessary consent or approval, or take other action on any issue that may properly be presented to the Corporation as the sole member of such nonprofit corporation, including the following:

- (a) the amendment, restatement or repeal of the Certificate of Incorporation or Bylaws of the organization;
- (b) the election of the directors of the organization;

- (c) the election of the President of the organization;
- (d) the merger, consolidation, or acquisition of all or substantially all of the assets of the organization;
- (e) the dissolution, liquidation, or termination of the business of the organization;
- (f) a material change in the purposes for which the organization was formed;
- (g) the selection or replacement of the independent auditors of the organization; and
- (h) the filing of a voluntary petition under any law having for its purpose the adjudication of the organization as bankrupt or insolvent or the taking any action with respect to the reorganization or liquidation of the organization.

## **ARTICLE VIII INDEMNIFICATION AND LIABILITY**

**8.1 Actions Other Than in the Right of the Corporation.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a member, director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, trustee, officer, manager, employee, or agent of another corporation, limited liability company, partnership, joint venture, or other enterprise against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit, or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith, in a manner that such person reasonably believed to be in good faith, and in a manner that he or she reasonably believed to be in or not opposed to the best interest of the Corporation, and with respect to any criminal action or proceeding had reasonable cause to believe that his or her conduct was unlawful.

**8.2 Actions by or in the Right of the Corporation.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a member, director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, trustee, officer, manager, employee, or agent of another corporation, limited liability company, partnership, joint venture, trust, or other enterprise against expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Corporation; except that no indemnification shall be made

in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in the view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the court shall deem proper.

8.3 **Advancement of Expenses.** The Corporation may advance expenses incurred in defending a civil or criminal action, suit, or proceeding, in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation.

8.4 **Insurance.** The Corporation may purchase (upon resolution duly adopted by the Board of Directors) and maintain insurance on behalf of any person who is or was a member, director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, manager, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust, or other enterprise against any liability asserted against such person and incurred in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability.

8.5 **Indemnification Required.** To the extent that a member, director, officer, employee, or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in this Article or in defense of any claim, issue, or other matter, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection with the matter.

8.6 **Entitlement.** Every such person is entitled, without demand on the Corporation or any action by the Corporation, to enforce his or her right to such indemnity in an action at law against the Corporation. The right of indemnification and advancement of expenses provided in this Article shall not be deemed exclusive of any rights to which any such person may now or later be otherwise entitled. Without limiting the generality of the foregoing, the right to indemnity shall not be deemed exclusive of any rights pursuant to statute or otherwise, of any such person in any action, suit, or proceeding to have assessed or allowed in his or her favor, against the Corporation or otherwise, costs and expenses incurred in connection with the matter.

8.7 **Liability.** To the fullest extent permitted by law, directors shall not be liable in damages to the Corporation or any member for breach of fiduciary duty as a director.

## **ARTICLE IX INTERESTED PARTIES**

### **9.1 Definitions.**

(a) **Interested Person.** Any director or officer who has a material direct or indirect financial interest, as defined in this Article, is an interested person.

(b) **Financial Interest.** An individual has a financial interest if he or she has, directly or indirectly, through business, investment, or family: (i) a material ownership or

investment interest in any entity with which the Corporation has a transaction or arrangement; or (ii) a material compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement. An individual shall not be deemed to have a “financial interest” due to an employment arrangement with, or serving as a director or officer of, another nonprofit Corporation that is exempt from federal income taxation under the Code.

9.2 **Disclosure.** An interested person shall disclose to the Board of Directors the existence and nature of his or her financial interest in any proposed transaction or arrangement involving the Corporation.

9.3 **Procedures for Addressing Conflicts of Interest.** The Chair shall, if appropriate, appoint a disinterested individual or committee to investigate alternatives to the proposed transaction or arrangement. The Board of Directors or committee shall determine whether, in their judgment, the transaction or arrangement is fair to the Corporation. They may also evaluate whether the Corporation may, without undue burden, delay, or expense, obtain a more advantageous transaction or arrangement with reasonable efforts from an individual or entity that would not give rise to a conflict of interest. In evaluating whether a transaction or arrangement is more advantageous, the Board Directors or committee, as the case may be, may take into account all facts and circumstances that it reasonably believes to be appropriate in its judgment, including factors relating to price, cost, quality, service, compensation arrangements, financial arrangements, capability, capacity, convenience to the organization, historical relationships, production efficiencies, market efficiencies, community interests, organizational support, reputation, availability, responsiveness, experience, location, commercial reasonableness, fair market value, market conditions, timing, scheduling, or other appropriate factors, depending on the nature of the transaction or arrangement. The Board of Directors or committee shall determine, by a majority vote of the disinterested directors, whether the transaction or arrangement is in the best interest of the Corporation, and they may pursue and approve the transaction or arrangement, as long as they reasonably believe in good faith that the transaction or arrangement is fair to the Corporation.

9.4 **Violations.** If the Board of Directors or committee has reasonable cause to believe that an interested person has failed to disclose a conflict of interest as required in this Article, the Board of Directors or committee shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the interested person and making such further investigation as may be warranted in the circumstances, the Board of Directors or committee determines that the interested person has in fact failed to disclose a conflict of interest as required in this Article, the Board of Directors or committee shall take appropriate disciplinary and corrective action.

9.5 **Record of Proceedings.** The minutes of the Board of Directors or committee shall contain: (a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with a conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the decision as to whether a conflict of interest in fact existed, (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, and (c) a record of any votes taken.

9.6 **Compensation.** A director or committee member who receives compensation or remuneration, directly or indirectly, from the Corporation shall not vote on matters pertaining to his or her compensation.

9.7 **Validation of Contracts.** No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other organization in which one or more of its directors or officers serve as directors, officers, or members or have a financial interest shall be void or voidable solely for this reason or solely because the director or officer is present at or participates in the meeting of the Board of Directors where the contract or transaction is authorized or approved or solely because his or her vote is counted for such purposes if: (a) the material facts as to the director's interest and as to the contract or transaction are disclosed or are known to the Board of Directors, and the Board of Directors in good faith authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested directors; or (b) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved, or ratified by the Board of Directors. Interested directors may be counted in determining the presence of a quorum at a meeting at which the Board of Directors authorizes the contract or transaction.

## **ARTICLE X GENERAL**

10.1 **Financial Statements.** The Board of Directors shall arrange for the preparation and presentation of operating statements at regularly scheduled meetings, unless otherwise determined by the membership.

10.2 **Fiscal Year.** The Board of Directors shall determine the fiscal year of the Corporation.

10.3 **Notices.** Unless otherwise provided by these Bylaws, notice may be given in writing and delivered personally, sent by United States mail postage paid, by fax, or by electronic mail, and addressed to the individual to whom notice is being given at such address as appears on the records of the Corporation.

10.4 **Waiver of Notice.** A person entitled to receive notice under these Bylaws may waive the notice requirement by executing a written waiver.

10.5 **Nondiscrimination.** The Corporation shall not exclude from participation, deny benefits or services, or discriminate against any individual, on the basis of race, color, national origin, religion, age, gender, sexual orientation, marital status, physical disability, or impairment in any program or activity it sponsors or conducts.

10.6 **No Implied Rights.** Nothing contained in these Bylaws is intended to confer any rights or benefits on any individual or to confer any private right, remedy, or right of action on any person, except with respect to indemnification as provided in these Bylaws. These Bylaws are intended for internal corporate use only and solely for the governance of the internal affairs of the Corporation.

**ARTICLE XI  
DISSOLUTION**

Upon dissolution, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, dispose of all of the assets by transferring and conveying the assets to one or more organizations that are exempt from federal income taxation under Section 501(c) of the Code, in the following order of priority: (a) to a successor organization of this Corporation; (b) to one or more organizations with purposes similar to the purposes of this Corporation; or (c) to one or more other organizations as determined by a majority vote of the Board of Directors. In no event shall the net earnings of the Corporation inure to the benefit of any private shareholder or individual in a manner prohibited by the Code.

**ARTICLE XII  
AMENDMENTS**

These Bylaws may be amended, repealed, restated, or new bylaws may be adopted by the Board of Directors. The Board of Directors, in its discretion, may seek member input or approval for amendments it deems substantial, in its sole discretion.

Approved:

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Jimmy Leopard, Chair of the Board

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Craig W. Jones, President