

# **ASSOCIATION OF UNIVERSITY RESEARCH PARKS**

## **BYLAWS**

### Article I

#### **NAME AND LOCATION**

Section 1. The name of this organization is ASSOCIATION OF UNIVERSITY RESEARCH PARKS (the "Association"). It shall be incorporated as a nonprofit corporation under the laws of the State of Arizona.

Section 2. Association activities may be conducted within or without the State of Arizona as necessary to carry out the affairs of the Association.

### Article II

#### **PURPOSE**

The purposes of the Association shall be:

- A. To promote continuing education related to planning, construction, marketing and management of university research parks, and their impact on society and the economy; and
- B. To carry on such other activities as are permissible for Arizona nonprofit corporations exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986, as the same may be amended or supplemented ("IRC").

### Article III

#### **TAX-EXEMPT STATUS**

Section 1. No part of the net earnings of the Association shall inure to the benefit of, or be distributed to, its Directors, Officers, employees or other private persons except that there shall be reimbursement for expenses actually incurred in the furtherance of such purposes, including travel expenses.

Section 2. Notwithstanding any other provision of these Bylaws, this Association will not carry out any other activities not permitted to be carried out by (a) a corporation exempt from federal income tax under IRC Section 501(c)(6) or the corresponding provision of any future United States Internal Revenue law or (b) a corporation, contributions to which are deductible under IRC Section 170(c)(2) or the corresponding provision of any future United States Internal Revenue law.

Section 3. The Association may receive and disburse those industrial, private, and public funds as may be made available for the discharge of its purposes and the operations of the Association and its programs.

Section 4. In the event of dissolution, the residual assets of the Association will be turned over to one or more organizations which themselves are exempt organizations as described in IRC Sections 501(c)(6) and 170(c)(2) of or the corresponding provision of any prior or future law, or to the federal, state or local government for exclusive public purpose.

### Article IV

#### **MEMBERSHIP**

Section 1. The Association shall have members. The characteristics, qualifications, rights, limitations and obligations attaching to each or any class of members shall be determined by the Board of Directors; provided,

however, only one (1) class of members, Regular Members, shall have the right to vote as a member of the Association and to hold office as a Director or Officer in the Association.

Section 2.     Membership Categories:

**2.1 Regular Members** shall be organizations that are dedicated to the development and operation of university related research and/or science parks, or the planning, management, support, research, or implementation of university related research or science parks, technology incubators, communities of innovation, or technology programs. Individuals shall join through their organization and recognized as Regular Members. Eligibility for Regular Membership may be further defined or clarified by the Board of Directors.

- Institutional Members: Regular members that are employees of institutions of higher education and their wholly owned subsidiaries. This category includes research or science parks and innovation districts that are engaged with a university(s) through governance but are not directly employed by an institution of higher education.
- Corporate Members: Regular members that are instrumental in facilitating the design, planning, development, operations and strategy of university related research or science parks, communities of innovation, technology incubators, innovation districts or technology programs.

All Regular Members in good standing may nominate members to the Board of Directors, be elected to the Board of Directors, and vote at the Annual Meeting (as defined in Section 6 of this Article). However, only one Regular Member from each Institution or Corporation shall serve on the Board of Directors at any one time.

Each Regular Member in good standing shall be entitled to one (1) vote on each matter submitted to a vote of the membership.

**2.2 Associate Members** shall be organizations that have an interest in supplying goods and services to university related research or science parks, communities of innovation, technology incubators, innovation districts or technology programs. Associate Members may attend any membership functions at the fee established by the Board of Directors. Associate Members do not have voting privileges and may not serve as Officers or Directors of the Association. Associate Members may serve on committees of the Association.

**2.3 Sustaining Members.** The Board of Directors at its discretion may create a Sustaining Member category and set the appropriate dues level. Sustaining members may only be Regular Members and shall receive any additional benefits as approved by the Board of Directors.

Section 3.     Application for membership in the Association shall be made pursuant to procedures established by the Board of Directors. The Board of Directors shall determine membership eligibility qualifications in its sole discretion, as well as the term of membership in the Association.

Section 4.     Membership fees shall be set by the Board in its discretion and may be modified from time to time as the Board sees fit.

Section 5.     Annual meetings of the membership ("Annual Meetings") shall be held at such time and place, either within or without the State of Arizona, as designated by resolution of the Board of Directors, without notice required other than as provided by the Arizona Nonprofit Corporations Act, as the same may be amended or supplemented (the "Act"), these Bylaws, and such resolution. The Board of Directors may provide by resolution the time and place, either within or without the State of Arizona, for the holding of additional

regular meetings of the membership without notice required other than as provided by the Act, these Bylaws, and such resolution.

Section 6. Special meetings of the membership may be called by or at the request of the President, the Board of Directors or as otherwise permitted by the Act. The person or persons authorized to call special meetings of the membership may fix any place, either within or without the State of Arizona, as the place for holding any such special meeting of the membership.

Section 7. Unless otherwise required by the Act, notice of any annual, regular or special meeting of the membership shall be given to each member of record entitled to vote at such meeting personally or by any written means (except as may be prohibited by the Act), including, but not limited to, United States mail, overnight courier, facsimile, or electronic mail, at least ten (10) days and not more than sixty (60) days before the date set for such a meeting. Notice of any special meeting shall set forth a description of the purpose or purposes of such meeting. If mailed or sent by overnight courier, such notice shall be deemed to have been given when deposited in the U.S. mail, first-class, postage thereon prepaid, or with the courier, and if sent via facsimile, electronic mail, or any other mode of written transmittal, such notice shall be deemed to have been given when transmitted. Any members may waive notice of any meeting before, at or after such meeting.

Section 8. Regular Members, present or represented by proxy, holding at least one-tenth (1/10) of the votes entitled to be cast shall constitute a quorum for the transaction of business at any meeting of the membership, provided, that if less than a quorum is present at said meeting, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 9. The act of a majority of the votes entitled to be cast by the Regular Members present at a duly called meeting of the members at which a quorum is present shall be the act of the membership, except as otherwise provided by law, by the Association's Articles of Incorporation, as amended (the "Articles of Incorporation"), or by these Bylaws. Proxy voting by members shall be permitted, pursuant to and in accordance with the requirements of the Act.

Section 10. Unless otherwise provided by the Act, any action required to be taken at a meeting of the members or any action which may be taken at a meeting of the members may be taken without a meeting if the action is approved in writing evidenced by one (1) or more written consents describing the action taken, signed by those members representing not less than a majority of the voting power. Prompt written notice of such consent shall be given to all members who have not consented in writing.

Section 11. Unless otherwise provided by the Act, any action required to be taken at a meeting of the members or any action which may be taken at a meeting of the members may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter. Such written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot is valid if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of affirmative approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total votes cast was the same as the number of votes cast by ballot. Solicitations for votes by written ballot shall indicate the number of responses required for a quorum; the percentage approvals necessary to approve each matter other than elections of directors; and, specify the time by which a ballot must be delivered to the Association to be counted, which shall not be less than three (3) days after the date the ballot is delivered.

Section 12. The Secretary shall record full minutes of each meeting of the membership, containing results of the deliberations of the membership. All meetings of the membership shall be conducted in accordance with the latest edition of Robert's Rules of Order, to the extent that such parliamentary procedures are not

inconsistent with these Bylaws, the Association's Articles of Incorporation, the Act, or rules adopted by the Board of Directors or the membership.

## Article V

### **BOARD OF DIRECTORS**

Section 1. The affairs of the Association shall be directed and managed by the Board of Directors (the "Board").

Section 2. It shall be the Board's duty to carry out the objectives and purposes of the Association, and to this end the Board may exercise all powers of the Association, including, without limitation, the following specific powers:

- A. Adopt policies and procedures for the administration of the Association.
- B. Employ a Manager (title to be decided by the Board to suit the circumstances of the Association at the time) and approve staffing levels and policies.
- C. Receive and be accountable for funds made available to the Association, including approval of annual budgets and project grants made in furtherance of the purposes of the Association.
- D. Make periodic and annual reports on the Association activities and programs.
- E. Seek industrial, private, and public sector support, including funds for the Association.
- F. Exercise all powers and do all things necessary in order to accomplish the purposes of the Association as set forth in Article II hereinabove.

Notwithstanding the foregoing, the Board shall be subject to the restrictions and obligations imposed by law and as set forth in the Association's Articles of Incorporation and these Bylaws.

Section 3. The Board shall consist of not less than nine (9) Institutional Regular Members and no more than eight (8) Corporate Regular Members for a total of seventeen (17) Board members, one of which shall be the President of AURP Canada, or a representative appointed by AURP Canada in accordance with the bylaws of AURP Canada. The Board of Directors shall consist solely of Regular Members, or their designated representatives, in the case of organizations, that are in good standing. The Board of Directors shall set forth procedures for the nomination of candidates for the Association's Directorships. Directors need not be residents of the State of Arizona. Each Director shall hold office for a three (3)-year term and shall serve until his or her successor has been duly elected and has qualified, or until his or her earlier resignation, removal or death. The terms of Directors may be staggered, so as not to all expire at the same time, to the extent and as determined by the Board of Directors. Directors of the class whose terms expire at any particular Annual Meeting of the membership shall be elected by a plurality of the votes of the Regular Members that are present, either in person or by proxy, at said Annual Meeting, provided that a quorum of Regular Members is present. Members of the Board may not serve more than two (2) full consecutive terms. Nevertheless, a person discharging the duties required of the Immediate Past President, and a person who is elected an Officer may continue as a member of the Board of Directors for up to one (1) additional year beyond the normal term of six (6) years in order to fulfill his/her responsibilities as an Officer. Such individuals affected by this provision will be in addition to the normal size of the Board previously provided of seventeen (17) people. Additionally, in the event of a tie vote, the final decision will be made by the majority vote of the Executive Committee to determine the elected board member.

Section 4. Annual meetings of the Board of Directors shall be held at such time and place, either within or without the State of Arizona, designated by resolution of the Board of Directors, without notice required other than these Bylaws and such resolution. The Board of Directors may provide by resolution the time and place, either within or without the State of Arizona, for the holding of additional regular meetings of the Board of Directors without notice required other than these Bylaws and such resolution. The Board shall meet at least

twice each fiscal year. Each Board Member is required to attend a minimum of two (2) Board meetings each fiscal year and be current with membership dues. In the event a Board member does not meet one or both of these requirements, it will be deemed an indication that the Board member is not able to fulfill his or her duties. Once the determination is made that the Board member is unable to fulfill his or her Board duties, the Board member in question may be removed from the Board by a majority vote of the Board members present at any meeting at which a quorum is present. The Board shall meet at least two times per year.

Section 5. Special meetings of the Board of Directors may be called by or at the request of the President or Board members constituting at least twenty percent (20%) of the Directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Arizona, as the place for holding any special meeting of the Board of Directors called by them.

Section 6. Notice of any special meeting of the Board of Directors shall be given to each Director personally or by any written means (except as may be prohibited by the Act), including, but not limited to, United States mail, overnight courier, facsimile, or electronic mail, not less than two (2) days before the time set for such a meeting, and must include the time, date and place of such meeting. If mailed or sent by overnight courier, such notice shall be deemed to have been given when deposited in the U.S. mail, first-class, postage thereon prepaid, or with the courier, and if sent via facsimile, electronic mail, or any other mode of written transmittal, such notice shall be deemed to have been given when transmitted. Any Director may waive notice of any meeting before, at or after such meeting.

Section 7. A majority of the Directors in office shall constitute a quorum for the transaction of business at any meeting of the Board, provided, that ~~at least five~~ (5) a majority of the Directors present are Institutional Regular Members. If a quorum is present when a meeting is convened, the quorum shall be deemed to exist until the meeting is adjourned, notwithstanding the departure of one or more members.

Section 8. The act of a majority of the Directors present at a duly called meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors, except as otherwise provided by law, by the Association's Articles of Incorporation or by these Bylaws. No proxy voting by Directors shall be permitted. Every Director shall have one (1) vote on all matters submitted to a vote of the Board of Directors, unless a Directorship is designated by the Board of Directors as a non-voting Directorship.

Section 9. To the extent permitted by the Act, any person participating in a meeting of the Board of Directors may participate by means of conference telephone or other communications equipment by means of which all persons participating in the meeting may simultaneously hear each other, communicate with each other, and otherwise fully participate in the meeting. Such participation shall constitute presence in person at the meeting.

Section 10. Any action required to be taken at a meeting of the Board of Directors or any action which may be taken at a meeting of the Board of Directors 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.

Section 11. The Secretary shall record full minutes of each meeting of the Board of Directors, containing results of the deliberations of the Board of Directors. The minutes shall be submitted to the Board of Directors for approval at the subsequent meeting of the Board of Directors. All meetings of the Board of Directors shall be conducted in accordance with the latest edition of Robert's Rules of Order, to the extent that such parliamentary procedures are not inconsistent with these Bylaws, the Association's Articles of Incorporation, the Act, or rules adopted by the Board of Directors.

Section 12. Any Director may be removed from office, with or without cause, at any time by the affirmative vote of not less than two-thirds (2/3) of the Regular Members present at any meeting of the Regular Members at which a quorum is present, either in person or by proxy, whenever in their judgment the best interests of the Association would be served thereby. Written notice must be sent to all members entitled to vote on removal, stating that a purpose of the meeting is to vote on the removal of one (1) or more of the Directors specified in the notice.

Section 13. Any Director may resign at any time by giving written notice thereof to the President or to the Board of Directors. Such resignation shall take effect at the time specified in such notice, or, if no time is specified, at the time such resignation is tendered.

Section 14. The Board of Directors may fill any vacancy occurring in the Board of Directors at any time through appointment by majority vote of the remaining members of the Board of Directors, and the appointed member shall serve for the unexpired portion of the term and until his or her successor has been duly elected and has qualified, or until his or her earlier resignation, removal or death.

Section 15. The Board of Directors shall adopt and adhere to a conflict of interest policy.

Section 16. The Board of Directors shall adopt and adhere to an investment policy.

## Article VI **OFFICERS**

Section 1. Officers of the Board shall first be current members of the Board and shall consist of a President, a Vice President, , an Immediate Past President, a Secretary, and a Treasurer. Except for the Immediate Past President, who shall accede to such office by virtue of his or her prior Officership as President, Officers of the Board will be elected from among the Board of Directors by the affirmative vote of a majority of the Board of Directors present at a meeting at which a quorum is present. Notwithstanding anything contained herein to the contrary, the Immediate Past President shall be an *ex officio* Officer. The same person may hold more than one (1) office.

Section 2. The Vice President, Secretary, Treasurer each shall hold office for a term of one (1) year, and shall serve until his or her successor has been duly elected and has qualified, or until their earlier resignation, removal or death. These Officers are eligible for, but limited to, two (2) consecutive one-year terms in the same position. The President shall serve a term of two (2) years and may not be re-elected but will remain on the Board after leaving office to serve as Immediate Past President for a term of two (2) years. Notwithstanding the foregoing, the Immediate Past President shall be an *ex officio* Officer and shall serve until his or her successor takes office as Immediate Past President or until his or her earlier resignation, removal or death.

If the President is permanently unable to perform his or her duties, the Vice President shall fulfill the Presidential duties as Acting President until the successor President is elected or appointed by the Board. If the President is temporarily unable to fulfill the responsibilities of the presidency, the Vice President shall fulfill the duties as Acting President until the President is able to fulfill the role of the Presidency.

Section 3. Any Officer may be removed from office at any time by the affirmative vote of a majority of the Board of Directors in office, whenever in their judgment the best interests of the Association would be served thereby.

Section 4. Any Officer may resign at any time by giving written notice thereof to the Association, attention of either the President or the Board of Directors. Such resignation shall take effect at the time specified in such notice, or, if no time is specified, at the time such resignation is tendered.

Section 5. A vacancy in any Officership because of death, resignation, removal, disqualification, or otherwise, may be filled at any time by the Board of Directors for the unexpired portion of the term and until such Officer's successor has been duly elected and shall have qualified or until such Officer's earlier resignation, removal or death. Vacancies may be filled at any meeting of the Board of Directors. Such action shall be effected by the affirmative vote of a majority of the Board of Directors present at a meeting at which a quorum is present.

Section 6. The President shall be the principal elected Officer of the Association and shall in general supervise and have charge of all of the affairs of the Association, pursuant to the direction and oversight of the Board of Directors. The President may delegate one (1) or more duties to the Manager of the Association where necessary or desirable. The President shall preside at all meetings of the Board of Directors and shall serve as the Chairman of the Board of Directors. The President may sign any contracts, deeds, mortgages, and other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by law to some other Officer or agent of the Association. The President shall supervise and provide direction to the Manager. The President in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. During the President's absence, if any, such duties shall fall upon the Vice President.

Section 7. The Vice President shall be responsible for major program areas that are designated by the Board as needed, and shall have and perform such other duties as may be prescribed by the Board of Directors from time to time.

Section 8. The Immediate Past President shall have and perform such other duties as may be prescribed by the Board of Directors from time to time, and as noted in Article VIII, shall act as Chair of the Nominating Committee.

Section 9. The Secretary shall be responsible for maintaining the minutes of the meetings of the Board of Directors; seeing that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; maintaining corporate records and the seal of the Association; and in general performing all of the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or the Board of Directors.

Section 10. The Treasurer shall act as chairperson of the Audit Committee and shall be responsible for supervising all funds and securities of the Association; maintaining bank accounts, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; and, in general performing all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the President or the Board of Directors.

Section 11. One (1) or more duties of any Officer of the Association may be expressly delegated by the Board of Directors to one (1) or more other Officers, employees or agents of the Association, provided that if such delegation is not to another Officer, then the Officer shall supervise and approve the actions of such employees or agents.

## Article VII

### **EXECUTIVE COMMITTEE**

Section 1. The Board shall appoint an Executive Committee consisting of seven (7) members: the President, Vice President, Immediate Past President, Secretary, Treasurer, and two at-large members selected

by the Nominating Committee from among the current elected members of the Board of Directors. A minimum of four (4) members of the Executive Committee shall be Institutional Regular Members.

The President, as Chairman of the Board, will likewise preside at all meetings of the Executive Committee. The Executive Committee shall be empowered to perform the business duties of the Association subject to the provisions of the Act and Board ratification at the next Board meeting. The Manager shall be a non-voting *ex officio* member of the Executive Committee.

Section 2. The Executive Committee shall have, and may exercise, to the extent provided in the authorizing resolution of the Board of Directors and not inconsistent with the Act, the Articles of Incorporation or these Bylaws, all the powers and authority of the Board of Directors in the management of the business and affairs of the Association. The designation of an Executive Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him or her by law.

Section 3. Members of the Executive Committee shall serve for a term of one (1) year, except for the President who shall serve a two-year term, and until their successors are elected and qualified, or until their earlier resignation, removal or death.

Section 4. Meetings of the Executive Committee may be held within or without the State of Arizona. The chairman of the Executive Committee may fix the time and place of its meetings. The Executive Committee shall keep records of its actions, and report such actions to the Board of Directors and the President.

Section 5. One-third (1/3) of the then-serving members of the Executive Committee shall constitute a quorum, provided that the majority of the members present are Institutional Regular Members. Any action of the majority of those present at a meeting at which a quorum is present shall be deemed the action of the Executive Committee.

Section 6. Any action required or permitted to be taken at a meeting of the Executive Committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the members of the Executive Committee, which consent may be in one or more counterparts.

Section 7. To the extent permitted by the Act, any person participating in a meeting of the Executive Committee may participate by means of conference telephone or other communications equipment by means of which all persons participating in the meeting may simultaneously hear each other, communicate with each other, and otherwise fully participate in the meeting. Such participation shall constitute presence in person at the meeting.

## Article VIII

### **NOMINATIONS COMMITTEE**

Section 1. A Nominations Committee shall be appointed annually by action of the Board. The Nominations Committee shall be chaired by the Immediate Past President and consist of at least two (2) additional members in good standing of the Association. In the event that the Immediate Past President is unwilling or unable to fulfill the duties as chair of the Nominations Committee, the Board shall appoint a replacement.

Section 2. A Nominations Committee shall distribute in writing to the membership of the Association a request for suggestions for nominations of persons to serve on the Board of Directors. The Nominations Committee shall prepare and distribute to all Regular Members in good standing a written slate of nominees for election to the Board of Directors no less than sixty (60) days prior to the Annual Meeting. The number of

nominees appearing on the written ballot must number not fewer than two in excess of the total number of Board positions unoccupied or subject to expiring terms.

Section 3. The Nominations Committee shall also be charged with the preparation of a slate of nominees for Officers of the Board and Executive Committee.

## Article IX

### **OTHER COMMITTEES**

Section 1. The Board of Directors may establish such other committees as it shall from time to time determine. Each committee so established shall be composed of not less than two (2) members of the Board and such other persons, whether Board members or not, as shall be determined by the action establishing the committee. Each committee shall have and exercise such duties, functions and powers as the Board shall from time to time prescribe in accordance with the Act. Membership on a committee may be by virtue of another office or position held in the Association or by appointment made by another committee to which the power to appoint is assigned by the Board as a part of the action creating the committee. Unless other provisions are made, appointments will be reported to, and subject to the approval of, the Board of Directors.

Section 2. Each committee shall keep regular minutes of its meetings and shall report the same to the Board not later than at the next Board meeting held after the meeting of the committee.

Section 3. A majority of the total membership of any such committee may determine its action and the Chairman may fix the time and place of its meetings, unless the Board shall otherwise provide.

Section 4. The Board shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee.

## Article X

### **Manager**

Section 1. The Board of Directors shall hire (and shall have the sole power to discharge) the Manager or management agent of the Association. The Board of Directors may delegate such authority, in whole or in part, to a committee of the Board of Directors. The daily management of the Association will be the responsibility of the Manager and other staff. The Manager shall be solely responsible for the hiring, supervision, promotion, compensation, and termination of all other employees of and contractors to the Association (subject to budgetary parameters set by the Board of Directors), shall be an *ex officio*, non voting member of all committees, and shall: be responsible for sending, receiving and maintaining all correspondence of the Association; be responsible for the disbursement of all approved annual budgets; prepare and provide a financial statement for the Association at each regular meeting of the Board of Directors; collect, compile and disseminate such statistical and other information as directed by the Board of Directors; and have such other duties as usually pertain to that office and as may be conferred upon him or her by the Board of Directors from time to time.

Section 2. The Manager may delegate one (1) or more duties to other employees or agents of the Association where necessary or desirable, in accordance with an approved Delegation of Authority policy.

## Article XI

### **PARLIAMENTARY AUTHORITY**

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern deliberations of the Board of Directors in all cases to which they are applicable and in which they are not inconsistent with

these Bylaws and special rules of order the Board may adopt, and with any statutes applicable to this organization.

## Article XII

### **WAIVER OF NOTICE**

Whenever any notice whatsoever is required to be given under the provisions of the Act, the Association's Articles of Incorporation, or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where the person attends such meeting for the express purpose of objecting, at the commencement of such meeting, to holding the meeting, transacting business at the meeting or considering the matter presented.

## Article XIII

### **INDEMNIFICATION**

Section 1. Any person who at any time serves or has served as a member of the Board of Directors or Officer of the Association, or who serves in any capacity on behalf of and at the request of the Association, shall be held harmless and indemnified to the fullest extent permitted by the Act against (a) reasonable expenses, including attorneys' fees, actually and necessarily incurred by him or her in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, seeking to hold him or her liable by reason of the fact that he or she is or was acting in such capacity, and (b) reasonable payments made by him or her in satisfaction of any judgment, money decree, fine, penalty, or settlement for which he or she may have become liable in any such action or proceeding.

Section 2. The Board shall take all such actions as may be necessary and appropriate to authorize the Association to pay the indemnification required by these Bylaws, including without limitation, to the extent necessary, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due. Notwithstanding the foregoing, but subject to the provisions of the Act, notice and approval of the Board will be required, subject to availability of funds, to pay such costs.

## Article XIV

### **AMENDMENT OF BYLAWS**

Section 1. Subject to and in accordance with the provisions of the Act, the Board of Directors shall have the power to make, alter, amend and repeal these Bylaws and to adopt new Bylaws, by the affirmative vote of a majority of the entire Board or two-thirds (2/3) of the votes cast by the members of the Board present at any duly called meeting at which a quorum is present, whichever is less; provided, that, notice of any proposal to make, alter, amend or repeal these Bylaws or to adopt new Bylaws, must be included in or provided with the notice of the meeting of the Board of Directors at which such action is to occur. All Bylaw amendments adopted by the Board of Directors shall be promptly communicated to all Regular Members, for informational purposes, following their adoption.

Section 2. Subject to and in accordance with the provisions of the Act, the Regular Members shall have the power to make, alter, amend and repeal these Bylaws and to adopt new Bylaws, by the affirmative vote of a majority of the Regular Members present in person or by proxy at any duly called meeting at which a quorum is present; provided, that, notice of any proposal to make, alter, amend or repeal these Bylaws or to adopt new Bylaws, must be included in or provided with the notice of the meeting of the members at which such action is to occur.

## Article XV

Section 1. The association shall have the ability to contract with outside vendors.

Ratified

Updated January 2012

Updated September 2013

Updated September 2017