

BYLAWS
OF
GEORGIA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS, INC.

Title 1. General Provisions

1.1 Purpose of Bylaws

These Bylaws constitute the code of rules for the regulation and management of the GEORGIA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS, INC., as authorized by its Articles of Incorporation. As used in these Bylaws, this corporation is referred to as the "Corporation", and the Georgia Nonprofit Corporation Code (or a section codified in Chapter 3 of Title 14 of the Official Code of Georgia Annotated) is referred to as the "Code" (or "Code section"). These Bylaws are adopted in order to fulfill the objectives of the Corporation as stated in the articles and Code section 301, and to exercise the powers conferred upon the Corporation under Code section 302.

1.2 Registered Office and Agent

The Board of Directors will designate a registered agent and registered office for service of legal process; these designations are to be filed with the Georgia Secretary of State as required by the Code. The Board may change these designations at any time. In the event the Board fails to make a designation, or a registered agent resigns without a new designation of a registered agent and office, then the President of the Corporation, and the President's address, are to be filed with the Georgia Secretary of State as the registered agent and office of the Corporation until the Board of Directors makes some other affirmative designation.

1.3 Business Office(s) Authorized

Either the Board of Directors or the membership of the Corporation may establish one or more offices for the conduct of business within this state, whenever circumstances warrant.

1.4 Procedure Rules at Meetings

It is understood that in the transaction of its business, the meetings of the Corporation, its Board of Directors and its committees may be conducted with informality; however, this informality does not apply to procedural requirements required in the Articles of Incorporation, these Bylaws, or the Code. When circumstances warrant, any meeting or a portion of a meeting will be conducted according to generally understood principles of parliamentary procedure as stated in the Articles of Incorporation, these Bylaws, or a recognized procedural reference authority. The procedural reference authority for the Corporation is designated as the latest edition of *Robert's Rules of Order, Newly Revised*.

Title 2. Membership

2.1 Individual Membership Category

- (1) Membership in the association shall consist of active members.

A. Active membership shall consist of persons employed in the administration of business services of a school or school system, including such areas as finance and accounting, data processing, purchasing and warehousing, construction, maintenance, operation, transportation, food service, office management, and personnel management. Active membership shall also include personnel of the State Department of Education working in school business services and the Georgia Department of Audits. No member of the Corporation shall be allowed to sell any services or goods at the Annual Conference Meeting or any sponsored program of the Corporation.

B. Honorary membership shall consist of former members of the Corporation who are no longer employed in school administration and such other persons as the Association may from time to time elect. Honorary members shall be elected by majority vote at any regular session of the annual meeting. Such members may attend meetings but may not vote, hold office, serve on any Corporation committees, nor sell any products or goods at the Annual Conference Meeting or any sponsored program of the Corporation.

(2) Each person eligible to become an active member and having paid the registration fee for the current year shall be entitled to all privileges of membership.

2.2 Good Standing and Active Status

In order to be an active member in good standing, qualified to act in the business of the Corporation, each member must (1) be at least eighteen (18) years of age; and (2) have paid the Corporation's annual fee for the current calendar year to the Secretary. Only active members in good standing have the right to vote, each member having one (1) vote.

2.3 Suspension From Active Status; Termination

(1) Any membership whose annual fee payment is not received by the Secretary prior to the First General Session of the annual conference of a given year is to be considered suspended from active status without further notice and not in good standing until the annual fees in arrears are paid to the Corporation. If payment is not made by December 1 of that year, that particular membership will be automatically terminated by the Secretary, and the member(s) stricken from the membership roster without further notice. Any member who has been either suspended or terminated has no voting rights, and remains obligated to the Corporation for any charges, assessments, dues fees or amount that is outstanding as of the date the membership is suspended or terminated.

(2) Any membership may be terminated only for stated cause other than for failure to pay the annual fee only by a procedure that is fair, reasonable and carried out in good faith. Motions to terminate membership are initiated by the Board of Directors, and must be approved by an affirmative vote of a majority of the Board of Directors. At least fifteen days prior to the board meeting at which the Board plans to present its motion for termination, the Board shall send a notice by first class certified mail, return receipt requested, to the person whose membership it proposes to terminate, advising that member of the intended action, stating the reasons termination of membership is proposed, and providing to the member a full opportunity to respond to the statement provided by the Board. Any termination of a member approved by the members of the

Board shall take effect immediately. Any member who has been terminated remains obligated to the Corporation for any charges, assessments, dues fees or amount that is outstanding as of the date the membership is terminated.

2.4 Membership Dues

The dues paid with the application for election to membership are set by the Board of Directors. The annual conference registration fee includes conference registration, the annual GASBO membership fee, and the annual SASBO membership fee.

2.5 Resignation From Membership

Any member of the Corporation may resign their membership in the Corporation by a written notice to the Secretary, with no refund, rebate, or rescission of dues or fees. Any member who resigns his membership remains obligated to the Corporation for any charges, assessments, dues fees or amount that is outstanding as of the date the member resigned.

Title 3. Corporation Membership Meetings

3.1 Location of Meetings

Any annual, regular or special meeting of the membership of the Corporation may be held at any place in the United States. Although the designation of a usual meeting date, time or location is reserved to the membership of the Corporation, the Board of Directors or the membership may determine a different location for a particular meeting as circumstances warrant.

3.2 Annual Meeting; Date

The annual meeting of the Corporation is held during the annual conference, unless the membership of the Corporation at a prior regular or special meeting designate a different time or date for a particular year. Any matter relating to the affairs of the Corporation, whether or not stated in any notice of the annual meeting, may be brought up for action by the membership, except for any matter for which prior notice is required by the Articles of Incorporation, these Bylaws, or the Code. As required by the Code, the membership is to receive reports from the President concerning the activities of the Corporation, and from the Treasurer concerning the financial condition of the Corporation.

3.3 Special Meeting; How Called

Special meetings of the Corporation may be called for any purpose whatsoever, at any other time by a majority of the Board of Directors, or a written demand of twenty percent of the active members of the Corporation in good standing, filed with the Secretary. The purpose of each special meeting must be stated in the notice. The notice of any special meeting is to be sent to all members in good standing under Section 2.2 of these Bylaws. If notice is not given to the membership of the date, time, place, and purpose of the special meeting within thirty (30) days after a sufficient number of Directors or members have demanded a special meeting, any person who signed that

demand may give the written notice of meeting to the membership in any reasonable manner, setting forth the date, time, place and purpose of the special meeting.

3.4 Notice of Meetings

The Secretary will give notice of the time, date and location of each meeting of the membership of the Corporation not less than ten (10) or greater than ninety (90) days before the scheduled meeting date. Normally, the notice is to be sent to each member in good standing as reflected in the Corporation's membership roster. Valid notice may be made through the official newsletter of the Corporation, if sent at least ten (10) days prior to the scheduled meeting date. A notice of an annual, special or regular meeting must include a description of any proposal that is required to be approved by the members under the Code, including proposals to: (a) determine that the reimbursement of the judgment and expenses of litigation of a current or former Director is appropriate under Code section 855; (b) approve a transaction where a Director has an interest conflicting with the Corporation under Code section 863; (c) amend the Articles of Incorporation under Code section 1003; (d) amend the Bylaws under Code section 1021, except as limited in these Bylaws; (e) merge the Corporation with another entity under Code section 1103; (f) sell all or substantially all of the assets of the Corporation in other than the usual course of business under Code section 1202; (g) dissolve and terminate the Corporation under Code section 1402; (h) take an action that a member intends to present at a membership meeting, and that member has requested that notice be given to the membership in the notice of meeting by a writing tendered to the President or Secretary at least ten days prior to the dispatch of the notice of meeting; and (i) remove a Director from office when required by these Bylaws. Any required notice may be waived by a member as permitted under the Code; and any member may object to the failure of sufficient notice of the meeting, or of a matter brought before a meeting, as permitted by the Code.

3.5 Quorum at Meetings

The presence of twenty percent of the members in good standing and entitled to vote constitutes a quorum for the transaction of business at meetings of the Corporation. Once a quorum is established at any meeting of the Corporation, it is presumed to exist for the balance of that meeting. As permitted by the Code, the presence of twenty percent of the members in good standing and entitled to vote permits the membership to consider any matter at an annual or regular meeting for which prior notice of the matter is not specifically required by the Code.

3.6 Member Proxies

No proxy voting is allowed.

3.7 Membership Voting

Unless otherwise provided in the Articles of Incorporation, these Bylaws, the procedural reference authority or the Code, the affirmative vote of a majority of those members casting a vote on a matter, in the presence of a quorum, is necessary to the adoption of a motion. Unless otherwise

provided in the Articles of Incorporation, these Bylaws, the procedural reference authority or the Code, the affirmative vote of a plurality of members casting a vote in an election, in the presence of a quorum, is necessary to the election of a nominee for any position in the Corporation.

3.8 Mail Voting

Any matter which may be acted upon by the membership or the Board of Directors of the Corporation may be submitted to a vote of the membership by mail or electronic means. A vote may be initiated by (1) action of the Board of Directors, (2) by the written request of twenty percent of members of the Corporation filed with the Secretary, or (3) at the direction of the membership of the Corporation approved at any annual, regular or special meeting of the Corporation. A ballot on the particular issue, with all pertinent information, is to be mailed first class or sent electronically to each member then in good standing within ten (10) days after the ballot is initiated, at each member's address as recorded in the membership roster of the Corporation, or to the member's electronic address. To be counted in the official tally of the ballots, the ballots shall be returned to the Secretary within thirty (30) days after the postmark date on the ballots, or ten (10) days from the sent date reflected in an electronic response. At the time the ballots are due, the Secretary will promptly ascertain and certify the result of the mailed or electronically submitted ballots. For the proposition to pass, or the election to be valid, a sufficient number of ballots equal to the number necessary for a quorum must be returned to the Secretary. Unless otherwise provided in the Articles of Incorporation, these Bylaws, the procedural reference authority or the Code, the affirmative vote of a majority of those members casting a ballot on a matter, with a quorum of ballots cast, is necessary to the adoption of a action. Unless otherwise provided in the Articles of Incorporation, these Bylaws, the procedural reference authority or the Code, the affirmative vote of a plurality of members casting a vote in an election, with a quorum of ballots cast, is necessary to the election of a nominee for any position in the Corporation. Thereafter the Secretary will announce the results both at meetings of the Board of Directors and the membership and in the official newsletter of the Corporation. The Board of Directors is authorized to adopt such procedures or rules as is reasonable and necessary to insure the integrity of the ballot procedure.

3.9 Corporation Committees

Standing or temporary committees of the Corporation may be created by action of the Board of Directors, the membership of the Corporation, or both. The charge of each standing committee is reflected within this section of these Bylaws. The Board of Directors is to designate the chair of each standing committee. The charge and chair of each temporary committee will be stated in the motion creating a temporary committee. The chair of each committee will appoint the remaining members of that committee, unless its full membership is designated at the time a temporary committee is created. Each committee will report regularly to the Board of Directors and to the membership of the Corporation at meetings, or through the official newsletter of the Corporation, and make any recommendation to the Board of Directors and the membership as it determines to be appropriate. The chair and membership of each committee serve at the pleasure of the appointing authority. Each standing committee is to be established by the inclusion of its

name, charge and appointing authority in the following paragraphs of this section, and adopted in accordance with these Bylaws:

(1) There shall be appointed by the President the following standing committees, and it shall be the duty of these committees to make an annual report to the association at the time of the annual meeting. The following committees shall be appointed each year: Audit, Articles and Bylaws, and Nominations.

Each of these committees shall function as follows:

(A) The Committee on Audit shall examine the accounts, papers, and vouchers of the treasurer and shall report its findings and comments thereon at the annual meeting.

(B) The Committee on Articles and Bylaws shall report and make recommendations on changes and amendments thereto.

(C) The Committee on Nominations will discharge the responsibilities delegated to it under Title 4 of these Bylaws.

(2) Special committees may be appointed by the President to serve specific needs. Such committees shall cease to exist when their function has been achieved or a new president has been installed.

The Board of Directors may expand the charge of any committee generally or for a specific project when circumstances warrant.

3.10 Written Consent Action by Members

Any action required by law, or permitted to be taken at any meeting of the members of the Corporation, may be taken without a meeting, if a written consent, setting forth the action so taken, is signed by a majority of all the members entitled to vote. This consent is the equivalent to a vote of the members during a meeting with a quorum, and is to be filed and recorded with the minutes of the Corporation's members. No action shall be effective under this Section until ten (10) days after notice is given to those members of the Corporation who did not sign the written consent.

Title 4. Board of Directors

4.1 Establishment and Function

The Corporation is managed by a governing body known as the "Board of Directors". As used in these Bylaws, a reference to the "Board of Directors" or "Directors" refers to the entire Board collectively or to a member of the Board generically. The Board of Directors conducts its proceedings as provided in the Articles of Incorporation, these Bylaws and the Code.

4.2 Composition and Term

The Board of Directors is composed of fourteen (14) persons elected for an annual term. The annual term begins each year on January 1 and ending on December 31 or until their respective successors are elected and installed.

4.3 Election, Nomination and Qualifications

The annual election of Directors by the membership will be conducted in accordance with the procedures outlined in this Title or elsewhere in these Bylaws, and the following:

(1) The fourteen members of the Board of Directors are designated as (a) the President, (b) the First Vice President, (c) the Second Vice President, (d) the Secretary, (e) the Treasurer, (f) the Immediate Past President, (g) the Georgia SASBO Director, (h) the Georgia SASBO Emerging Leader, (i) four (4) Directors at-large, (j) Sponsor Coordinator, and (k) Conference Application Coordinator. The President, First Vice President, Second Vice President, Treasurer, Georgia SASBO Director, Georgia SASBO Emerging Leader, Sponsor Coordinator, and Conference Application Coordinator are separately elected by the membership. The four at-large Directors are chosen from a group of nominees, with those nominees who obtain the greatest plurality of votes being elected. Election, of all positions, is by plurality. Directors at-large terms are for a two year period, with two directors elected each year. The Georgia SASBO Director, Georgia SASBO Emerging Leader, Sponsor Coordinator, and Conference Application Coordinator serve a four year term. The Secretary may be contracted by the Board of Directors. The Secretary will serve as a non-voting member of the Board of Directors.

(2) The Nominations Committee will compile nominations for each elected position on the Board, and may make nominations in its own right. Nominations may be made by any member in good standing, including self-nominations, or by the Nominations Committee. No nomination will be placed on the annual election slate unless: (a) the nominee is a active member in good standing, (b) the nominee is eighteen years of age, as required by the Code, and (c) the nominee has affirmatively consented to the nomination, or has elected one nomination, if proposed for more than one office.

(3) Nominations will be accepted by the Nominations Committee no later than the 1st day of month of the annual conference.

(4) The election will be conducted at the Annual Business Meeting of the Corporation. At the Annual Business Meeting the Chairman of the Nominations Committee shall read the list of nominees to the members in attendance. The current President will call for any nominations from the floor, and then conduct the election of officers and directors for the next year.

4.4 Powers

(1) The Board of Directors may exercise all powers granted to it as they determine to be expedient and necessary for the interests of the Corporation, subject to the Articles of Incorporation, these Bylaws, or the Code, and the review and direction of the membership of the Corporation.

4.5 Meetings

The Board of Directors will hold at least four (4) regular meetings during each calendar year, before the month of the normally scheduled date of the regular and annual meetings of the Corporation under Title 3 of these bylaws, and may call other regular meetings of the Board of Directors, or special meetings of the Board of Directors, at the call of (a) the President, (b) the First or Second Vice President, or (c) any two Directors. Any matter relating to the affairs of the Corporation may be brought before the Board, unless notice of the matter is required to be included in the notice of the Board of Directors meeting. Notice of each special meeting is to be sent to each Director addressed to the address of record in the membership roster, or by electronic means when feasible, at least two (2) days prior to a special meeting. Where circumstances require a meeting on less than two (2) days' notice, such notification to each member of the Board of Directors may also be made by any other reasonable method. At Board of Directors meetings, quorum consists of five (5) voting members. No proxy votes may be used.

4.6 Use of Contemporaneous Communications Systems for Board Meetings

The Board of Directors, or any Corporation committee, may utilize a contemporaneous communications system in which all participants in the meeting can communicate with each other; and participation in a meeting by this system constitutes the presence of the participant at the meeting.

4.7 Voting; Quorum

Each voting Officer has one vote on the Board of Directors. Once quorum is established, all matters put to a vote before the Board of Directors will require the affirmative vote of a majority of Directors voting on the matter, in the presence of a quorum, unless a greater majority is required by these Bylaws, the Articles of Incorporation or the Code. The participation of a majority of the Directors, whether present in person or through a contemporaneous communications system, constitute a quorum of the Board in order to conduct business. In the event that fewer than a majority, but at least one-third of the Directors are participating, then the Board is Authorized to consider and make recommendations on any matter action upon which is viewed as appropriate in the circumstances for action by the membership either at a meeting, by ballot or by written consent, or to call a special meeting of the membership as provided in Section 3.4. In the case of a tie vote, the President will have an additional vote in order to break the tie.

4.8 Removal of Director

(1) One or more Directors, or the entire Board of Directors, may be removed by the affirmative vote of a majority of the membership of the Corporation present and voting on removal at a regular or special meeting of the Corporation membership, and where notice of a member's intention to present a motion for removal has been given to the membership pursuant to Section 3.4 of these Bylaws. A separate vote on removal must be made as to each Director proposed for removal; and the motion may be voted upon by mail ballot under Section 3.8 of these Bylaws.

(2) Any Director who was elected to complete an unexpired term of a Director on the Board through election by the Directors may be removed by an affirmative vote of two-thirds of the remaining Directors for a stated cause.

(3) Any Director who has not participated in any three consecutive meetings of the Board of Directors may be removed by an affirmative vote of two-thirds of the remaining Directors due to such absence.

(4) In the event of removal, the provisions of Section 4.3 and 4.9 will apply; however, if the removal of Directors results in a total of five or more vacancies on the Board, the Nominations Committee shall organize and expedite the election of new Directors to the vacancies on the Board of Directors by conducting a special election of the membership within thirty (30) days after the date of the meeting at which Directors were removed, with all members voting by electronic means, for the purpose of filling these vacancies.

4.9 Vacancies

(1) Whenever a vacancy occurs, or will occur, on the Board of Directors, then that vacancy is to be filled by a vote of the Board of Directors,

4.10 Written Consent Action by Board

Any action required by law, or permitted to be taken at any meeting of the Board of Directors, may be taken without a meeting, if a written consent or consent obtained by electronic means, setting forth the action so taken, is approved by a majority of the Directors. This consent is the equivalent to a vote of the Board of Directors during a meeting with a quorum, and is to be filed and recorded with the minutes of the Corporation's Board of Directors. The Directors who did not approve the consent action shall be given notice of the action as soon as practicable, but no later than the next membership meeting after the written consent action is approved by a sufficient number of Directors.

4.11 Duties of Corporation Officers

Each Director of the Corporation who is elected to the Board of Directors as an officer of the Corporation, exercises the following responsibilities pertaining to their office, in addition to any other duty imposed on that office by the Articles of Incorporation, these Bylaws, the Code or by vote of the membership or the Board of Directors of the Corporation, as follows:

(1) The President presides at all meetings of the Board of Directors and the membership of the Corporation; reports on the activities of the Corporation to the membership at each annual meeting of the Corporation; oversees the activities of the Corporation, and reports on those matters determined appropriate to the Board of Directors and the membership of the Corporation.

(2) The First Vice President presides at all meetings of the Board of Directors or the membership of the Corporation in the absence of the President, and in the case of a vacancy in the office of President, act as President until a new President is elected under Section 4.9 of these Bylaws. In addition, the First Vice President oversees the operations of the Corporation committees and reports on those matters determined to be appropriate to the Board of Directors and the membership of the Corporation. The First Vice President will perform all duties asked of them by the President.

(3) The Second Vice President shall attend all meetings of the Board of Directors and membership of the Corporation. The Second Vice President will perform all duties asked of them by the President.

(4) The Secretary may be contracted as the Executive Director of the Corporation and shall maintain and provide access to the records of the Corporation as required by Code sections 1601 and 1602; records the minutes of all proceedings of the Board of Directors and of the membership of the Corporation; maintains a current roster of the membership of the Corporation; and reports on these matters to the Board of Directors and the membership of the Corporation. The Secretary shall attend all meetings of the Corporation and record the minutes of all proceedings of the meetings. The minutes shall be filed in the Corporation business files. Compensation shall be determined annually by the Board of Directors at the time of appointment.

(5) The Treasurer maintains the financial records of the Corporation, prepares the annual accounting and financial statement of the Corporation for the annual meeting of the membership of the Corporation (which may be prepared by a certified public accountant when authorized by the Board of Directors); and reports on these matters to the Board of Directors and the membership of the Corporation. The Treasurer will perform all duties asked of them by the President.

4.12 Financial Regulations

This section outlines certain policies and practices as to the financial procedures of the Corporation:

- (1) Any expenditure, totaling twenty-five hundred dollars (\$2500.00) or more of Corporation funds, may not be made unless approved by the Board of Directors, acting for the membership of the Corporation, or unless the expenditure is part of an ongoing project approved by the membership of the Corporation.
- (2) No other expenditure may be made unless approved by the Board of Directors or the membership. Any budgeted expenditure exceeding 25% of the budget line item shall not be made unless approved by the Board of Directors, acting for the membership

of the Corporation, or unless the expenditure is part of an ongoing project approved by the Board of Directors and the membership.

- (3) Expenditures from a special account, based upon revenues into that account for a designated project or activity are subject to review only by the supervising committee, but the status of that account will be regularly reported to the Board of Directors and the membership.
- (4) The signatory on any bank account and the depository institution for that account is established by the Board of Directors by an appropriate resolution.
- (5) Any Director, committee chairman, committee member, or member of the Corporation may be reimbursed for their actual and necessary expenses when reasonably incurred on behalf of the Corporation and approved by the Board. With the exception of the Executive Director, who serves as the Secretary of the Corporation, no Director, committee chairman, committee member, or member of the Corporation may receive any salary, fees, compensation, commission or other payment for rendering specific services to the Corporation.
- (6) The Corporation's fiscal year is the calendar year.

4.13 Limitation on Service

No person may simultaneously hold more than one office in the Corporation.

4.14 Board Committees

The Board of Directors may establish such committees as it determines to be necessary and proper from time to time. The membership of such committees shall be composed of Directors; but if the committee's charge and function does not involve the management responsibility for the affairs of the Corporation, then persons who are not currently Directors, may also be designated to serve on a Board committee. Board committees may not exercise the authority of the Board of Directors when prohibited by the Code.

Title 5. Indemnification

5.1 Authority to Indemnify

- (1) Except as provided in subsections (2) and (3) of this Section 1, the Corporation shall indemnify an individual made a party to a proceeding because such individual is or was a Director against liability incurred in the proceeding, if such Director acted in a manner such Director believed in good faith to be in or not opposed to the best interests of the Corporation and, in the case of any criminal proceeding, such Director had no reasonable cause to believe the conduct was unlawful.

- (2) The Corporation may not indemnify a Director under this Section 1:
 - A. In connection with a proceeding by or in the right of the Corporation in which the Director was adjudged liable to the Corporation; or
 - B. In connection with any other proceeding in which the Director was adjudged liable on the basis that personal benefit was improperly received by the Director.
- (3) Indemnification permitted under this Section (1) in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding.

5.2 Mandatory Indemnification

Unless otherwise provided in the Articles of Incorporation, to the extent that a Director has been successful, on the merits or otherwise, in the defense of any proceeding to which the Director was a party, or in defense of any claim, issue, or matter therein, because that individual is or was a Director of the Corporation, the Corporation shall indemnify the Director against reasonable expenses incurred by the Director in connection therewith.

5.3 Advance for Expenses

(1) The Corporation shall pay for or reimburse the reasonable expenses incurred by a Director who is a party to a proceeding in advance of final disposition of the proceeding if:

A. The Director furnishes the Corporation a written affirmation of such director's good faith belief that such Director has met the standard of conduct set forth in subsection (1) of Section I of these Bylaws; and

B. The Director furnishes the Corporation a written undertaking, executed personally or on the Director's behalf, to repay any advances if it is ultimately determined that the Director is not entitled to indemnification under Section 5.1.

(2) The undertaking required by paragraph B. of subsection (1) of this Section 5.3. must be an unlimited general obligation of the Director, but need not be secured and may be accepted without reference to financial ability to make repayment.

5.4 Determination and Authorization of Indemnification.

- (1) The Corporation may not indemnify a Director under Section 5.1. of these Bylaws unless authorized thereunder and a determination has been made in the specific case that indemnification of the Director is required in the circumstances because the Director has met the standard of conduct set forth in subsection (1) of Section 5.1.

- (2) The determination shall be made:
- A. By the Board of Directors by majority vote of a quorum consisting of Directors not at the time parties to the proceeding; or
 - B. If a quorum cannot be obtained under paragraph A. of this subsection, by majority vote of a committee duly designated by the Board of Directors (in which designation Directors who are parties may participate), consisting solely of two or more Directors not at the time parties to the proceeding; or
 - C. By special legal counsel:
 - (i) Selected by the Board of Directors or its committee in the manner prescribed in paragraphs A. or B. of this subsection (2); or
 - (ii) If a quorum of the Board of Directors cannot be obtained under paragraph A. of this subsection (2) and a committee cannot be designated under paragraph B. of this subsection, selected by majority vote of the full Board of Directors (in which selection Directors who are parties may participate); or
- (3) Authorization of indemnification or an obligation to indemnify and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is required, except that if the determination that indemnification is required is made by special legal counsel, evaluation as to reasonableness of expenses shall be made by those entitled under paragraph C. of subsection (2) of this bylaw provision to select counsel.

5.5 Indemnification of Officers, Employees, and Agents.

Unless the Articles of Incorporation provide otherwise:

- (1) An officer of the Corporation who is not a Director is entitled to mandatory indemnification under Section 2 of these Bylaws to the same extent as a Director; and
- (2) The Corporation may, in the discretion of the Board of Directors, indemnify and advance expenses to an officer, employee, or agent, who is not a Director, to the extent the Board deems appropriate, consistent with public policy.

5.6 Director's Expenses as a Witness.

This Title V does not limit the Corporation's power to pay or reimburse expenses incurred by a Director in connection with such Director's appearance as a witness in a proceeding at a time when such Director has not been made a named defendant or respondent to the proceeding.

Title 6. Amendments

6.1 Amendment Process

Any amendment of these bylaws must be adopted by the two-thirds (2/3) vote of the active members present at the annual meeting of the Corporation, or at any meeting of the Corporation members called for such purpose, provided written notice of the proposed amendment shall have been given to the members at least ten (10) days prior to the meeting. A quorum shall be determined in accordance with Section 3.5 of the bylaws.

6.2 Effective Date of Amendment

Unless otherwise specified, amendments to the bylaws will be effective upon adjournment of the membership meeting at which such amendments are adopted.