

**OREGON RURAL HEALTH ASSOCIATION  
BYLAWS**

# BYLAWS

## TABLE OF CONTENTS

		Page
<b>ARTICLE I.</b>	<b>NAME, OFFICE, AND PURPOSE</b>	<b>3</b>
Section 1.	Name	3
Section 2.	Purpose	3
<b>ARTICLE II. MEMBERSHIP</b>		<b>3</b>
Section 1.	Eligibility	3
Section 2.	Categories	3
Section 3.	Term	4
Section 4.	Dues	4
Section 5.	Annual Meeting	4
Section 6.	Special Meetings	4
Section 7.	Notice	4
Section 8.	Waiver of Notice	5
Section 9.	Quorum	5
Section 10.	Vote Required	5
Section 11.	Fixing Record Date	5
Section 12.	Record Date for Adjourned Meeting	5
Section 13.	Action by Ballot	5
<b>ARTICLE III.</b>	<b>BOARD OF DIRECTORS</b>	<b>6</b>
Section 1.	Duties of Directors	6
Section 2.	Eligibility	6
Section 3.	Composition	6
Section 4.	Compensation	6
Section 5.	Initial Board of Directors	6
Section 6.	Election of Subsequent Boards of Directors	6
Section 7.	Term	6
Section 8.	Removal of Director	7
Section 9.	Vacancies	7
Section 10.	Annual Meeting	7
Section 11.	Regular Meetings	7
Section 12.	Special Meetings	7
Section 13.	Telephonic Meetings	7
Section 14.	Waiver of Notice	8
Section 15.	Open Meeting/Executive Sessions	8
Section 16.	Quorum	8
Section 17.	Voting	8
Section 18.	Action Without Meeting	9
Section 19.	Executive Committee	9

Section 20.	Other Committees	9
Section 21.	Committee Procedures	9
<b>ARTICLE IV.</b>	<b>OFFICERS</b>	<b>9</b>
Section 1.	Designation	10
Section 2.	Election of Officers	10
Section 3.	Compensation	10
Section 4.	Duties	10
Section 5.	Removal	11
Section 6.	Vacancies	11
<b>ARTICLE V. AMENDMENTS TO BYLAWS</b>		<b>11</b>
<b>ARTICLE VI.</b>	<b>CONFLICT OF INTEREST</b>	<b>11</b>
<b>ARTICLE VII</b>	<b>INDEMNIFICATION OF DIRECTORS AND OFFICERS</b>	<b>11</b>
Section 1.	Non-Derivative Actions	11
Section 2.	Derivative Actions	12
Section 3.	Determination of Right to Indemnification in Certain Cases	12
Section 4.	Indemnification of Persons Other Than Officers or Directors	13
Section 5.	Successful Defense	14
Section 6.	Condition Precedent to Indemnification Under Sections 1, 2, or 4	14
Section 7.	Advances for Expenses	14
Section 8.	Insurance	14
Section 9.	Purpose and Exclusivity	15
<b>ARTICLE VIII.</b>	<b>RULES OF PROCEDURE</b>	<b>15</b>
<b>ARTICLE IX.</b>	<b>SEVERABILITY</b>	<b>15</b>

# OREGON RURAL HEALTH ASSOCIATION

## BYLAWS

### ARTICLE I. NAME, OFFICE, AND PURPOSE

**Section 1. Name.** The name of the corporation shall be Oregon Rural Health Association, which shall be a nonprofit corporation under Oregon Revised Statutes, Chapter 65 (the “Act”), and Section 501(c)(3) of the Internal Revenue Code. The corporation shall hereafter be referred to in these bylaws as the “association.”

**Section 3. Purpose.** The Oregon Rural Health Association is a nonprofit organization whose primary purpose is to promote improved health and access to quality health care in rural areas of the state. The Oregon Rural Health Association is composed of individuals and organizations dedicated to providing leadership on rural health issues through advocacy, communication and education.

### ARTICLE II. MEMBERSHIP

**Section 1. Eligibility.** Membership shall be made up of individuals and organizations having an interest in rural health in the state of Oregon who have completed and signed an application form which has been accepted by the board of directors and is on file with the secretary of the association.

**Section 2. Categories.** Membership shall be in four categories, three of which shall be voting and one of which shall be nonvoting.

- A. Individual. Each individual member shall have one vote in association matters.
- B. Founding Organization. There shall be founding organization memberships consisting of: Oregon Association of Hospitals and Health Systems; Oregon Medical Association; Oregon Nurses Association; Oregon Primary Care Association; Oregon Society of Physician Assistants; Oregon Academy of Family Physicians; Office of Rural Health; and AHEC Program Office, OHSU. Each founding organization member shall have one vote in association matters.
- C. Organization. There shall be organization memberships of any legally constituted organization which has an interest in rural health and each such organization shall hold one membership and have one vote in association matters.
- D. Special Sections. The board of directors may, by a majority vote, decide to establish Sections within the association for the purpose of encouraging

groups with a special rural health interest that are otherwise unaffiliated to participate in the ORHA policy making and advocacy process. All members of Special Sections must be members in good standing of the association. If a Special Section approved by the board does not achieve at least ten members within its first year, then it will be dissolved.

- E. Honorary. Honorary membership may be granted by the board of directors as appropriate to further the purposes of the association. Honorary members shall have all the rights and privileges of membership except voting and holding the positions of director or officer, and shall not be required to pay dues.

**Section 3.** **Term.** Membership shall be effective upon acceptance of a membership application and receipt of dues and shall be renewable annually.

**Section 4.** **Dues.** The board of directors shall determine annual dues for Founding members, Organization members, and Individual members. Students enrolled in any health professions training program shall be granted individual membership at one-half the rate of dues of regular individual membership, and shall have all the rights and privileges of membership.

**Section 5.** **Annual Meeting.** The annual meeting of members of the association shall be held on a date and at a time and place to be determined by the board. The purpose of such meeting will be to elect the board of directors and conduct all business as may be necessary to support the purpose of the association. At the annual meeting, the president and any other officer designated by the president or the board of directors shall report on the activities and financial condition of the association.

**Section 6.** **Special Meetings.** The association shall hold special meetings of the membership only upon call of the president or of the board of directors by a vote of two-thirds of the directors then in office. Special meetings shall be held on the date and at the time and place designated by the board of directors.

**Section 7.** **Notice.** Notice of the date, time, and place of the meeting, and, in the case of a special meeting or when otherwise required by law, the purpose or purposes for which the meeting is called, shall be given for each meeting of members not less than fourteen (14) days, nor more than fifty (50) days prior to the meeting, either personally or by mail, by or at the direction of the secretary of the association to each voting member. If mailed, notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the current membership record of the association, with first class postage prepaid.

- Section 8. Waiver of Notice.** A member may, at any time, waive notice of any meeting of members. Such waiver must be in writing, signed by the member entitled to notice, and delivered to the association for inclusion in the minutes or filing in the corporate records. A member's attendance at a meeting waives any objection to (a) lack of notice or defective notice, unless the member objects at the beginning of the meeting to holding the meeting or transacting business at the meeting and (b) consideration of a particular matter at the meeting which is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.
- Section 9. Quorum.** A quorum shall be determined by members present at the annual meeting.
- Section 10. Vote Required.** Approval of action on any matter shall require the affirmative vote of a majority of members represented in person at the meeting unless a greater vote is required by law, the Articles of Incorporation of the association, or these bylaws. Election of directors shall be governed by Article IV, Sections 3, 4, and 5 hereof. There will be no proxy voting.
- Section 11. Fixing Record Date.** The board of directors may fix in advance a date as record date for the purpose of determining the members entitled to notice of or to vote at any meeting of members or any adjournment thereof; to otherwise exercise or enjoy any or all of the rights and powers of a member; or in order to make a determination of members for any other proper purpose. The record date shall be not more than 60 days prior to the date on which the particular action which requires such determination of members is to be taken, and, in case of a meeting of members, shall be not less than 15 days prior to the date of the meeting.
- Section 12. Record Date for Adjourned Meeting.** A determination of members entitled to notice of or to vote at a meeting of members is effective for any adjournment of the meeting unless the board of directors fixes a new record date. A new record date must be fixed if a meeting is adjourned to a date more than 120 days after the date fixed for the original meeting of members.
- Section 13. Action by Ballot.** Any action which may be taken at any annual or special meeting of members may, in the sole discretion of the association's board of directors, be taken without a meeting if the association delivers a ballot to every member entitled to vote on the matter. The ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by ballot pursuant to this section shall be valid only when the number of votes cast by ballots equals or exceeds any quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by

ballot. All solicitations for votes by ballot shall indicate the number of responses needed to meet the quorum requirements, state the percentage of approvals necessary to approve each matter other than the election of directors, and specify a reasonable time by which a ballot must be received by the association in order to be counted. Unless otherwise permitted in the sole discretion of the board of directors, a ballot may not be revoked after it has been submitted to the association.

### **ARTICLE III. BOARD OF DIRECTORS**

**Section 1. Duties of Directors.** The property and business of the association shall be managed by a board of directors as herein specified. The number of members or composition of the board may be changed by amendment to these Bylaws.

**Section 2. Eligibility.** In order to be selected or elected, a prospective director must be a voting member of the association as defined in Article II.

**Section 3. Composition.** The number of elected directors who shall manage the affairs of the association shall be 17. Eight directors shall be founding organization members as listed in Article II, Section 2; the remaining directors shall be four organization members and five individual members.

**Section 4. Compensation.** The Directors shall receive no compensation for their services on the Board. However, the five individual members may be reimbursed for travel and incidental expenses incurred while conducting Association business, if approved by the Board.

**Section 5. Initial Board of Directors.** The initial directors shall be appointed by the incorporators and will serve as directors until the first annual meeting.

**Section 6. Election of Subsequent Boards of Directors.** The board of directors shall be elected by a plurality vote of the voting members of the association represented at the annual membership meeting, except that the eight founding organization members shall be permanent and shall select their representative. The slate of nominees will be presented to the membership by a nominating committee, to be appointed by the president. Nominations will also be accepted from the floor for the organization and individual members. Organization members shall select their representative.

**Section 7. Term.** Elected directors shall serve a one-year term and until their successors are elected and qualified, subject to prior death, resignation, or removal.

- Section 8. Removal of Director.** Any director may be removed by the vote of a majority of the members of the association at a meeting called for that purpose at which a quorum is present. Notice of the meeting must state that the purpose, or one of the purposes, of the meeting is the removal of the director. Any director who is absent for more than two successive meetings shall be subject to removal by the vote of a majority of the directors then in office. A vacancy due to a lapse in or termination of membership in the association is automatic and does not require any board or member action.
- Section 9. Vacancies.** Unless otherwise provided in the Articles of Incorporation, any vacancy occurring in the board of directors may be filled by the board of directors or, if the remaining directors do not constitute a quorum, by the affirmative vote of a majority of the remaining directors. A director elected to fill a vacancy shall be elected for the unexpired term of the director's predecessor in office, subject to prior death, resignation, or removal.
- Section 10. Annual Meeting.** An annual meeting of the board of directors shall be held without notice immediately following the annual membership meeting at the same location for conducting such business as may be necessary.
- Section 11. Regular Meetings.** Regular meetings of the board shall be held at least quarterly at a time and place to be determined by the board. Each director then in office shall be provided written notice of the scheduled date, hour, and place of each regular meeting, personally delivered or mailed by United States mail, first class postage prepaid, addressed to each director at the director's address appearing on the records of the association, not less than seven (7) days prior to the date of the first regular meeting held after the adoption or modification of the resolution providing for regular meetings.
- Section 12. Special Meetings.** Special meetings of the board may be called by the president or a majority of the members of the board. Each director shall be given notice of each special meeting which shall be actually delivered, orally or in writing, not less than 24 hours prior to the meeting or mailed by deposit in the United States mail, first class postage prepaid, addressed to the director at the director's address appearing on the records of the association, not less than 72 hours prior to the meeting. Special meetings of the directors may also be held at any time when all members of the board of directors are present and consent to a special meeting. Special meetings of the directors shall be held at the principal office of the association or at any other place designated by a majority of the board of directors.
- Section 13. Telephonic Meetings.** The board of directors may permit directors to participate in a meeting by any means of communication by which all of the persons



participating in the meeting can hear each other at the same time. Participation in such a meeting shall constitute presence in person at the meeting.

**Section 14. Waiver of Notice.** A director may, at any time, waive any notice required by these bylaws, the Articles of Incorporation or the Act. Except as otherwise provided in this Section, the waiver must be in writing, be signed by the director, must specify the meeting for which notice is waived, and be delivered to the association for inclusion in the minutes and filing in the corporate records. A director's attendance at a meeting waives any required notice, unless the director at the beginning of the meeting or promptly upon the director's arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

**Section 15. Open Meetings/Executive Sessions.** The annual meeting and all regular, special, or committee meetings of the board of directors shall be open to all members, provided that the board may elect to conduct executive sessions limited only to directors and those individuals designated by the board of directors, for any reason which the board deems necessary or appropriate. However, only the members of the board and appropriate committees are required to be notified of meetings of the board of directors.

**Section 16. Quorum.** A majority of the board of directors shall constitute a quorum for the transaction of business.

**Section 17. Voting.** The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless otherwise provided by the Articles of Incorporation or these bylaws. A director who is present at a meeting of the board of directors or a committee of the board of directors when corporate action is taken is deemed to have assented to the action taken unless:

- A. The director objects at the beginning of the meeting (or promptly upon the director's arrival) to holding it or transacting business at the meeting;
- B. The director's dissent or abstention from the action taken is entered in the minutes of the meeting; or
- C. The director delivers written notice of the director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the association immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

**Section 18. Action Without Meeting.** Unless otherwise provided by the Articles of Incorporation, any action required or permitted to be taken at a board of directors meeting may be taken without a meeting if consent, or consents, describing the action taken is signed by each director and included in the minutes or filed with the corporate records. The action is effective when the last director signs the consent, unless the consent specifies an earlier or later effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

**Section 19. Executive Committee.** There shall be a six-member executive committee of directors, one of whom shall be the immediate past president, one of whom shall be the president, one of whom shall be the president-elect, one of whom shall be the secretary, and one of whom shall be the treasurer. The board shall designate one additional board member to serve as a member of the executive committee. The executive committee shall have and may exercise all of the authority of the board of directors, not in conflict with statute, in the management of the association; provided, however, that such committee shall not have the authority of the board of directors in reference to the following activities: amending the Articles of Incorporation of the association; approving or recommending to members the merger or dissolution of the association or the sale, pledge, or transfer of all or substantially all of the assets of the association; amending or repealing the bylaws of the association; electing or removing directors of the association or members of committees of the board of directors, including filling vacancies; or amending, altering, or repealing any resolution of the board of directors which by its terms provides that it shall not be amended, altered, or repealed by the executive committee.

**Section 20. Other Committees.** Unless the Articles of Incorporation otherwise provide, a majority of the board of directors may designate from among its members other committees of two or more members each. Each committee shall have such powers and shall perform such duties as may be delegated and assigned to the committee by the board of directors. No committee shall have the authority of the board of directors with respect to any matters prohibited by law or prohibited to the executive committee under Section 15 hereof.

**Section 21. Committee Procedures.** The provisions of Sections 10 through 17 of the Article III shall also apply to all committees. Each committee shall keep written records of its activities and proceedings. All actions by committees shall be reported to the board of directors at the next meeting following the action and the board of directors may ratify or may revise or alter such action, provided that no rights or acts of third parties shall be affected by any such revision or alteration.

#### **ARTICLE IV. OFFICERS**

**Section 1. Designation.** The officers of the association shall be a president, a president-elect, past-president, a secretary, and a treasurer, all of whom must be directors of the association. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by or in a manner directed by the board of directors.

**Section 2. Election of Officers.** The officers of the association shall be elected by a majority vote of the board of directors, other than the president unless the office of president-elect is vacant. The president-elect shall succeed automatically and without vote to the office of president at the annual membership meeting next following the meeting of election as president-elect. Officers shall be elected for one-year terms, and until their successors are elected and qualified, subject to prior death, resignation, or removal.

**Section 3. Compensation.** Officers shall not receive any compensation for their services as such but may, as determined by board policy, receive reimbursement for such reasonable expenses as may be necessary in pursuance of business of the association.

**Section 4. Duties.**

- A. President: The president shall be the principal officer of the association and shall preside over meetings of the board of directors, executive committee, and the membership of the association. The president may be assigned other duties by the Board, within scope and limitation of the Articles of Incorporation and these bylaws, as appropriate. The president shall be authorized to sign all warrants, contracts, or instruments as directed by the Board, and to represent the association in carrying out its business.
- B. President-elect: The president-elect shall preside at all meetings in the absence or disability of the president, assuming all duties of the president during such absence or disability. The president-elect shall perform such other duties as the board may require. Upon expiration of the term of the president, the president-elect shall become the president.
- C. Past-President: The past-president shall preside at all meeting in the absence or disability of the president and president-elect, assuming all duties of the president and president-elect during such absence or disability. The past-president shall perform other such duties as required by the board. The past-president shall chair the Membership Activities Committee.

- C. Secretary: The secretary shall issue all notices and shall attend and keep the minutes of all meetings of the members, the board of directors, and the executive committee. The secretary shall have charge of all books, records, and papers of the association. The secretary may attest all instruments executed for the association and shall perform all other such duties as the board may require.
- D. Treasurer: The treasurer shall receive, keep safely, and deposit in such bank or banks as may be designated by the board all funds, securities, and liquid assets of the association, in its name, and for its account. The funds of the association shall be disbursed as directed by the board on checks or other documents, items, or instruments. Signature authority, including the number of signatures required on such disbursements, shall be determined by the policy of the board. The treasurer shall keep full and accurate books of account and shall make such reports of the finances and transactions of the association as may be required by the Board, and shall prepare and present to the annual meeting of the membership a full statement showing in detail the financial condition of the association.

**Section 5. Removal.** Any officer elected or appointed may be removed by the board of directors of the members, with or without cause.

**Section 6. Vacancies.** Any vacancy occurring in an office of the association shall be filled by a majority vote of the board at any regular or special meeting.

## **ARTICLE V. AMENDMENTS TO BYLAWS**

These bylaws may be amended by the board of directors at a regular or special meeting called for that purpose, subject to ratification by the members at the next annual or special meeting of members.

## **ARTICLE VI. CONFLICT OF INTEREST**

No member of the board of directors or officer shall engage in any business to provide services or equipment to the association for profit.

## **ARTICLE VII INDEMNIFICATION OF DIRECTORS AND OFFICERS**

**Section 1. Non-Derivative Actions.** Subject to the provisions of Sections 3 and 6 below, the association 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 (including all appeals) (other than an action by or in the right of the association) by reason of or arising from the fact that the person is or was a director or officer of the association or one of its subsidiaries, or is or was serving at the request of the association as a director, officer, partner, or trustee of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against reasonable expenses (including attorney's fees), judgments, fines, penalties, excise taxes assessed with respect to any employee benefit plan and amounts paid in settlement actually and reasonably incurred by the person to be indemnified in connection with such action, suit, or proceeding if the person acted in good faith, did not engage in intentional misconduct, and, with respect to any criminal action or proceeding, did not know the 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 or, with respect to any criminal action or proceeding, that the person knew that the conduct was unlawful.

**Section 2. Derivative Actions.** Subject to the provisions of Sections 3 and 5 below, the association 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 (including all appeals) by or in the right of the association to procure a judgment in its favor by reason of or arising from the fact that the person is or was a director or officer of the association or one of its subsidiaries, or is or was serving at the request of the association as a director, officer, partner, or trustee of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against reasonable expenses (including attorney's fees) actually incurred by the person to be indemnified in connection with the defense or settlement of such action or suit if the person acted in good faith; provided, however, 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 for deliberate misconduct in the performance of that person's duty to the association for any transaction in which the person received an improper personal benefit, for any breach of the duty of loyalty to the association, or for any distribution which is unlawful under the Act, or successor statute, 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 view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

**Section 3. Determination of Right to Indemnification in Certain Cases.** Subject to the provisions of Sections 5 and 6 below, indemnification under Sections 1 and 2 of this Article shall not be made by the association unless it is expressly determined that indemnification of the person who is or was an officer or director, or is or

was serving at the request of the association as a director, officer, partner, or trustee of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 or 2. That determination may be made by any of the following:

- A. By the board of directors by a majority vote of a quorum consisting of directors who are not or were not parties to the action, suit, or proceeding;
- B. If a quorum cannot be obtained under paragraph A of this subsection, by a majority vote of a committee duly designated by the board of directors consisting solely of two or more directors not at the time parties to the proceeding (directors who are parties to the proceeding may participate in the designation of the committee);
- C. By special legal counsel selected by the board of directors or its committee in the manner prescribed in A or B or, if a quorum of the board of directors cannot be obtained under A and a committee cannot be designated under B, the special legal counsel shall be selected by a majority vote of the full board of directors, including directors who are parties to the proceeding;
- D. By the members; or
- E. By a court of competent jurisdiction.

**Section 4. Indemnification of Persons Other Than Officers or Directors.** Subject to the provisions of Section 6, in the event any person not entitled to indemnification under Sections 1 and 2 of this Article was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding of a type referred to in Sections 1 or 2 of this Article by reason of or arising from the fact that such person is or was an employee or agent (including an attorney) of the association or one of its subsidiaries, or is or was serving at the request of the association as an employee or agent (including an attorney) of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, the board of directors of the association by a majority vote of a quorum (whether or not such a quorum consists in whole or in part of directors who were parties to such action, suit, or proceeding) or the members of the association may, but shall not be required to, grant such a person a right of indemnification to the extent described in Sections 1 or 2 of this Article as if the person were acting in a capacity referred to therein, provided that such person meets the applicable standard of conduct set forth in such Sections. Furthermore, the board of directors may designate by resolution in advance of any action, suit,

or proceeding those employees or agents (including attorneys) who shall have all rights of indemnification granted under Sections 1 and 2 of this Article.

**Section 5. Successful Defense.** Notwithstanding any other provision of Sections 1, 2, 3, or 4 of this Article, but subject to the provisions of Section 6, to the extent a director, officer, employee, or agent (including an attorney) is successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1, 2, or 4 of this Article, or in defense of any claim, issue, or matter therein, that person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by that person in connection therewith.

**Section 6. Condition Precedent to Indemnification Under Sections 1, 2, or 4.** Any person who desires to receive the benefits otherwise conferred by Sections 1, 2, or 4 of this Article shall promptly notify the association that the person has been named as a defendant in an action, suit, or proceeding of a type referred to in Sections 1, 2, or 4 and intends to rely upon the right of indemnification described in Sections 1, 2, or 4 of this Article. The notice shall be in writing and mailed, via registered or certified mail, return receipt requested, to the president of the association at the executive office of the association or, in the event the notice is from the president, to the registered agent of the association. Failure to give the notice required hereby shall entitle the board of directors of the association by a majority vote of a quorum (consisting of directors, who, insofar as indemnity of officers or directors is concerned, were not parties to such action, suit, or proceeding, but who, insofar as indemnity of employees or agents is concerned, may or may not have been parties) or the members of the association to make a determination that such a failure was prejudicial to the association in the circumstances and that, therefore, the right to indemnification referred to in Sections 1, 2, or 4 of this Article shall be denied in its entirety or reduced in amount.

**Section 7. Advances for Expenses.** Expenses incurred by a person indemnified thereunder in defending a civil, criminal, administrative, or investigative action, suit, or proceeding (including all appeals) or threat thereof may be paid by the association in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of such person to repay such expenses if it shall ultimately be determined that the person is not entitled to be indemnified by the association and a written affirmation of the person's good faith belief that he or she has met the applicable standard of conduct. The undertaking must be a general, personal obligation of the party receiving the advances but need not be secured and may be accepted without references to financial ability to make repayment.

**Section 8. Insurance.** The association may purchase and maintain insurance on behalf of any person who is or was the director, officer, employee, or agent of the association or one of its subsidiaries or is or was serving at the request of the

association as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise against any liability asserted against and incurred by that person in any such capacity, or arising out of his status as such, whether or not the association would have the power to indemnify that person against such liability under the provisions of this Article or under the Act.

**Section 9. Purpose and Exclusivity.** The indemnification referred to in the various Sections of this Article shall be deemed to be in addition to and not in lieu of any other rights to which those indemnified may be entitled under any statute, rule of law or equity, agreement, vote of the members or board of directors, or otherwise. The association is authorized to enter into agreements of indemnification. The purpose of this Article is to augment the provisions of the Act dealing with indemnification.

#### **ARTICLE VIII. RULES OF PROCEDURE**

The most recent edition of Robert's Rules of Order shall be the official rules of parliamentary procedure used by the board of directors and the association.

#### **ARTICLE IX. SEVERABILITY**

If any provision of these bylaws is found, in any action, suit, or proceeding, to be invalid or ineffective, the validity and the effect of the remaining provisions shall not be affected.