

BYLAWS

of

CHURCH BENEFITS ASSOCIATION

A Minnesota Nonprofit Corporation

(Amended 11/30/2016, 4/25/2017,
11/29/2017, 12/3/2019, and
6/23/2020)

ARTICLE 1 – DEFINITIONS

Section 1.1. Definitions.

The following terms used in these Bylaws shall have the meanings set forth below.

- (a) “Act” means the Minnesota Nonprofit Corporation Act, as amended.
- (b) “Board” means the Board of Directors of the Corporation.
- (c) “Chairperson” or “Chair of the Board” means the chair of the Board of Directors of the Corporation.
- (d) “Chair of the Planning Committee” or “Annual Meeting Chair” means the individual who presides over the annual meeting of the Members.
- (e) “Corporation” means the Church Benefits Association. Started in 1915 by the Huggins Company (one of the predecessor organizations of the Hay Group), and formerly known as the Church Pensions Conference, the Church Benefits Association, prior to its incorporation, was an unincorporated voluntary membership association of church pension boards, religious orders and denominational benefit programs for clergy and church employees.
- (f) “Director” means an individual serving on the Board.
- (g) “Members” means entities that satisfy the requirements for membership set forth in Article 4 of these Bylaws.
- (h) “Representative” means the individual designated by a Member to act on its behalf at meetings.

ARTICLE 2 – PURPOSES

Section 2.1. Purposes.

The purposes of the Corporation are set forth in its Articles of Incorporation.

Section 2.2. Activities.

The organization's activities are intended to promote excellency, improve efficiency of operations, support and develop the work force and preserve the traditions of church benefit boards and church plans through nonpartisan education, collaboration and fellowship. Its activities shall include the following:

- (a) To serve as a forum for the dissemination, study, discussion and communication of information of interest and/or relating to church employee benefits programs and the administration of those programs.
- (b) To sponsor meetings for employees and representatives of Member organizations for (a) educational purposes (b) to discuss and listen to presentations concerning current related developments of interest to the participants, and (c) to provide the opportunity for fellowship and discussions with participants from other member organizations.
- (c) To engage in and conduct such activities as may be authorized by the Board, provided such activity is within the permitted activities of an organization that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code ("Code").
- (d) The Corporation encourages wide and free dialogue and exchange of information among its membership.
- (e) The Corporation shall not engage in legislative or political activity or other advocacy.

ARTICLE 3 – OFFICES

Section 3.1. Offices.

The registered office of the Corporation shall be located in Minnesota. The Corporation may have any number of other offices at such places as the Board may determine.

ARTICLE 4 – MEMBERS

Section 4.1. Classes.

The Corporation shall have one class of Members.

Section 4.2. Qualifications of Members.

The Members of the Corporation are the supported organizations of the Corporation for purposes of Code Section 509(a)(3), and the Corporation shall be organized and operated exclusively to support and benefit the exempt purposes of the Members (i.e., the supported organizations) as described in the Corporation's Articles of Incorporation. Membership in the Corporation shall be open to any entity that is (i) exempt from federal income tax under Code Section 501(c)(3) and responsible for the administration of a church benefit plan of a religious denomination or association of churches; (ii) otherwise described in Code Section 414(e)(3), or (iii) engaged in similar activities and approved for membership by the Executive Committee. Notwithstanding the foregoing, all Members must be publicly supported organizations described in Code Sections 509(a)(1) or 509(a)(2). Temporary membership may be granted by the Executive Committee, pending final ratification by the general membership at the Corporation's Annual Meeting.

Section 4.3. Voting Rights.

Each Member shall be entitled to one vote in person cast by the chief executive or chief administrative officer or his or her duly authorized Representative designated in writing by the Member's chief officer and filed with the Secretary of the Corporation.

Section 4.4. Reserved Powers of Members.

The approval of a majority of the Members' Representatives shall be required for any of the following actions by the Corporation:

- (a) any dissolution or liquidation of the Corporation;
- (b) any merger of the Corporation;
- (c) any amendments of the Articles of Incorporation of the Corporation;
- (d) any amendment to the provisions of these Bylaws regarding the Members, including the number of and process for the appointment of Standing Directors and the election of Elected Directors, quorum or voting requirements;
- (e) the sale, pledge, lease or other transfer of the assets of the Corporation other than transactions occurring in the ordinary course of business;
- (f) the issuance of any indebtedness in excess of Five Thousand Dollars (\$5,000) by the Corporation; and
- (g) ratification of the dues to be assessed by Members.

Section 4.5. Nontransferable.

Membership in the Corporation is not transferable.

Section 4.6. Termination.

A Member's participation in the Corporation ends when the Member withdraws its membership by writing to the Secretary, when the Member no longer meets the qualification requirements described in section 4.2 of the Bylaws, or when the Board, by resolution, terminates membership because member has not paid annual dues for two consecutive years or removes the Member for any other reason, with or without cause, by the affirmative vote of two-thirds (2/3) of the Board.

ARTICLE 5 – MEETINGS OF MEMBERS

Section 5.1. Place of Meetings.

Annual meetings of the Members shall be held at such place as may be fixed by the Annual Meeting Planning Committee. The location of all other meetings shall be designated by the Board. If no place is fixed by the Committee or the Board, meetings of the Members shall be held at the registered office of the Corporation.

Section 5.2. Notice of Meetings of Members.

Written notice of all annual and special meetings of the Corporation shall be given by, or at the direction of, the Secretary to each Member of record entitled to vote at the meeting not more than sixty (60) days prior to the date of the annual meeting and at least five (5) days before the day named for any other meeting unless a greater period of notice is required by the Act in a particular case.

The report of the Nominating Committee for any election scheduled for the annual meeting shall be provided to the Members at least five (5) days before the date of the meeting. In the case of special meetings of the Members, the notice shall specify the general nature of the business to be transacted.

When a meeting of the Members is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken, unless the Board fixes a new date for the adjourned meeting or the Act requires notice of the business to be transacted and such notice has not previously been given.

Section 5.3. Annual Meeting.

A. *Time and Place of Meeting.*

Unless the Board provides by resolution for a different time, the annual meeting of the Members, for the election of Directors, a report on the activities and financial condition of the corporation, and the transaction of any other business which may be brought before the meeting, shall be held at a location selected by the Annual Meeting Planning Committee ("Planning Committee") during business hours during the week after which the Thanksgiving (United States) holiday is observed. In determining the location of the annual meeting, the Planning Committee shall at all times seek to accommodate, as best it can, the resources of Member organizations and the diverse geographical locations of the Members.

B. *Annual Meeting*

The annual meeting shall be planned and operated under the supervision of the Planning Committee (described in Section 7.5) and convened by the Chair and Vice-Chair of the Planning Committee. The Chair and Vice-Chair shall preside over the annual meeting.

C. *Business Meeting*

A business meeting of the Corporation shall be held at the annual meeting. The Chair of the Board shall preside over the business meeting session of the annual meeting of the Members. The election of Officers, Directors, Annual Meeting Chair and Vice-Chair and such other positions as are nominated by the Nominating Committee shall be conducted. The Chairperson and Treasurer shall report on the affairs of the Corporation and the Audit Committee shall report on its review of the Corporation's books and records. Any other official actions of the Corporation shall be taken at the business meeting session of the annual meeting.

Section 5.4. Special Meetings of Members.

Special meetings of the Members may be called at any time by the Chairperson, the Board or Members entitled to cast at least 10% of the votes which all Members are entitled to cast a vote at the particular meeting. Upon written request of any person entitled to call a special meeting, the Secretary shall (a) fix the date and time of the meeting, which shall be held not more than ninety (90) days after receipt of the request, and (b) give notice to the Members. The notice of the meeting must include the purpose of the meeting and identify the person or persons who called the meeting. If the Secretary neglects or refuses to fix the meeting date or give notice within thirty (30) days after receipt of the written request for the special meeting, the person or persons calling the meeting may do so.

Section 5.5. Determination of Members of Record.

Upon election as a temporary Member and payment of the requisite dues, temporary Members shall be entitled to notice of and to vote at any special meeting and to notice of the annual meeting. Following ratification by a vote of the Members' Representatives of a temporary Member at the Annual Meeting, the temporary Member will become a Member with full voting rights. When a determination of the Members has been made for purposes of a meeting, the determination shall apply to any adjournment thereof unless the Board fixes a new record date for the adjourned meeting. If no record date is fixed, the record date shall be determined in accordance with the Act. A Member list shall be made available for inspection two (2) days after the meeting notice is given, and continuing through the meeting.

Section 5.6. Quorum.

The presence, in person, of twenty-five percent (25%) of the Members' Representatives entitled to vote shall constitute a quorum. The Members' Representatives present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough Members' Representatives to leave less than a quorum. If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided in the Act, adjourn the meeting to such time and place as they may determine. In the case of any meeting called for the election of Directors, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing Directors.

Section 5.7. Participation in Meetings Via Remote Communications.

At the discretion of the Chairperson and Vice Chairperson, one or more Members' Representatives may participate in a meeting of the Members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by remote communication constitutes personal presence at the meeting.

Section 5.8. Written Action.

Any action which may be taken at a meeting of the Members may be taken without a meeting, if consents in writing, setting forth the action so taken, shall be signed by two-thirds (2/3) of the Members' Representatives who would be entitled to vote at a meeting for such purpose and shall be filed with the Secretary of the Corporation.

ARTICLE 6 – BOARD OF DIRECTORS

Section 6.1. Board of Directors.

The business and affairs of the Corporation shall be managed under the direction of the Board. The powers of the Corporation shall be exercised by, or under the authority of, the Board except as otherwise provided by statute, the Articles of Incorporation, these Bylaws, or a resolution adopted by the Board.

The Board may, by resolution, determine (a) the annual budget for the Corporation, (b) the amounts of any initiation fees, dues or assessments payable by the Members and (c) the time and method of their payment, subject to the ratification of the Members' Representatives at the annual meeting. The Board may impose such fees, dues, or assessments upon all Members of the same class either alike or in different amounts or proportions, and upon a different basis upon different classes of Members. The Board may, by resolution, exempt Members of one or more classes from fees, dues, or assessments. The Board of Directors shall have the authority to enter into contracts, retain consultants or hire personnel as needed and as approved in the annual budget of the Corporation.

Section 6.2. Qualifications of Directors.

Each Director shall be a natural person at least 18 years of age who need not be a resident of Minnesota. Each Director must be the chief executive officer or the chief administrator responsible for church benefits programs of the Member.

Section 6.3. Number and Election of Directors.

The Board shall consist of twelve (12) directors, composed of six Standing Directors and six Elected Directors.

Directors representing the six Members with the highest market value (as of December 31st of the year preceding the annual meeting) of assets available for benefits under direction by the Member shall be "Standing Directors". At each annual meeting, the Chairperson shall designate the six Members eligible to serve as Standing Directors for the upcoming year and announce the name of the individual from that Member who will serve as the Director.

The Nominating Committee shall nominate eligible individuals from the remaining Members for election as "Elected Directors". The Elected Directors shall be divided into three classes, each consisting of two (2) Directors. The term of office of one class of Elected Directors shall expire in each year. Each class shall be elected by the Members' Representatives entitled to vote for terms of three (3) years, except in case of a Director vacancy in any class, in which case the vacancy shall be filled for the balance of the term of such class. However, to achieve the initial classification of the Board, the initial terms of the three classes of the first Board shall be one year, two years, and three years, respectively.

An Elected Director may serve consecutive terms. After two consecutive terms, an Elected Director may not be reelected to the Board until after at least a two year break-in-service, unless the Elected Director is then serving as an Officer in which event he/she shall continue as an additional Elected Director until the expiration of his/her term as an Officer.

If the Chair of the Planning Committee is not a Standing Director or an Elected Director, he or she shall be an ex officio voting member of the Board during his or her term of office as Chair of the Planning Committee.

Section 6.4. Term of Office.

Each Director shall hold office until (a) the expiration of the term for which he or she was appointed or elected and until his or her successor is elected or qualified, or (b) his or her earlier death, resignation, disqualification or removal. A change in the Member's status as one of the six Members with the highest market value of assets available for benefits shall not disqualify the Standing Director and the Standing Director shall continue to serve the balance of his or her term.

Section 6.5. Procedure for Nomination of Candidates for Director.

The Chair of the Board shall announce at the annual meeting of the Members the number of Elected Directors to be elected at the meeting and shall receive the report of the Nominating Committee. The Nominating Committee shall nominate Elected Directors for election in that class. The Chairperson shall then declare that the nominations of candidates for election as Elected Directors are open and shall call for any additional nominations from the floor. Nominations may be made by any Director or Member Representative entitled to elect Elected Directors and who is present at the meeting in person. Nominations need not be seconded. No nominations may be made from the floor for Standing Directors. After nominations have been made, the Chairperson shall, on motion, declare the nominations closed, and thereafter no further nominations may be made. After the nominations have been closed, the Representatives entitled to elect Directors shall cast their votes for the Directors.

Section 6.6. Vacancies.

Vacancies in the Board, including vacancies resulting from (a) an increase in the number of Directors, or (b) the death, resignation, or removal of a Director, shall be filled by a majority of the Members' Representatives entitled to elect Directors, except a vacancy of a Standing Director shall be filled by the Member's successor to the departing Standing Director, unless at the time of the vacancy the Member no longer qualifies as one of the six Members eligible for Standing Directors. In such event, the vacancy shall be filled for the balance of the unexpired term of such class by the chief executive officer or chief administrator of the Member that now qualifies for such standing.

Each person so elected shall be a Director to serve for the balance of the unexpired term.

Section 6.7. Removal of Directors.

Any individual Director may be removed from office, without assigning any cause, by a two-thirds (2/3) vote of the remaining Directors entitled to vote at any meeting of the Board of Directors.

Section 6.8. Resignations.

Any Director may resign at any time by giving written notice to the Chairperson. The resignation shall be effective upon receipt by the Chairperson or at such subsequent time as may be specified in the notice of resignation.

Section 6.9. Compensation of Directors.

Directors shall receive no compensation for their services as Directors or as committee members. All expenses incurred by individual Directors in connection with their service on the Board or any committee shall be borne by the Director's Member organization, unless otherwise approved by the Board. However, the Corporation may compensate a Member subject to the prohibition against excess benefit transactions under Code Section 4958 for providing services to the Corporation in any other capacity.

Section 6.10. Voting Rights.

Each Director shall be entitled to one vote. Preferably, Board decisions shall be reached by consensus. If consensus cannot be reached, the affirmative vote of two-thirds (2/3) of the Directors present and voting at a Board meeting at which a quorum is present shall be required to pass an action.

ARTICLE 7 – COMMITTEES

Section 7.1. Establishment and Powers.

The Board may, by resolution adopted by a majority of the directors in office, establish one or more Board committees and provide for the composition of the Committee Members. Committees may include Officers, Directors and non-Director representatives of Members. Any Board committee (but not Topical Interest Committees), to the extent provided in the resolution of the Board, shall have and may exercise all of the powers and authority of the Board, except that a committee, including the Executive Committee and the Standing Committees, if any, shall not have any power or authority as to the following:

- (a) The submission to the Members of any action requiring approval of the Members under the Act;
- (b) The creation or filling of vacancies in the Board;
- (c) The adoption, amendment or repeal of the Bylaws;
- (d) The amendment or repeal of any resolution of the Board that by its terms is amendable or repealable only by the Board; or
- (e) Action on matters committed by the Bylaws or a resolution of the Board exclusively to another committee of the Board.

Section 7.2. Term.

Each committee of the Board shall serve at the pleasure of the Board.

Section 7.3. Board Committee Organization.

Each Board committee shall establish its own operating procedures. Each committee shall report its activities to the Board or to the Members.

Section 7.4. Executive Committee.

The Executive Committee shall be composed of the officers of the Corporation. The Executive Committee shall be authorized to act for the Board between its regular meetings. Except as otherwise provided by these Bylaws or by resolution of the Board, the Executive Committee shall have and may exercise all of the powers and authority of the Board in the management of the Corporation.

Section 7.5. Board Standing Committees.

There shall be the following Standing Committees of the Board: Annual Meeting Planning Committee, Nominating Committee and Audit Committee.

A. Annual Meeting Planning Committee

The Annual Meeting Planning Committee (the "Planning Committee") shall consist of at least six persons representing a cross-section of the Members who need not be a chief executive officer or chief administrator, nominated by the Nominating Committee for approval by the Members at the annual meeting. The Nominating Committee shall nominate a Chair and vice-Chair of the next annual meeting for election by the Members at the annual meeting. The Chair and vice-Chair shall be either a chief executive officer or chief administrator who is eligible to serve as a Director.

The Planning Committee shall be responsible for running the annual meeting and planning future annual meetings, including preparing the budget for the event for submission to the Board, inviting speakers and guests and retaining support for the logistical arrangements and meeting events.

B. Nominating Committee

The Nominating Committee shall be appointed by the Chairperson and shall consist of two or more members of the Board. Members of the Nominating Committee shall serve for two years. The Nominating Committee shall be responsible for nominating the Chair and Vice-Chair of the Board, Elected Directors, officers and the individuals who will serve on the Annual Meeting Planning Committee.

C. Audit Committee

The Audit Committee shall consist of three persons representing a cross-section of the Member organizations and appointed by the Chairperson. The Audit Committee members shall serve two years, have specific expertise in financial management and need not be a chief executive or chief administrator of a Member. The Audit Committee shall be responsible for validating that the external auditors performed their audit in accordance with the terms of the audit engagement, which shall include the review of year-end financial data.

Section 7.6. Topical Interest Committee

The topical interest committees shall be established and charged by the Board or the Executive Committee acting *ad interim*. Such committees may include, without limitation, committees relating to health benefits, human resources, technology, communications, legal and investment management. The topical interest committees shall provide timely notice of their meetings to the member organizations.

All expenses incurred by individual committee members in connection with their participation in a committee shall be borne by the Member organization, unless otherwise approved by the Board.

All topical interest committee meetings shall be open for attendance by representatives from all Members.

The Chairperson shall designate a Director or officer to serve as the liaison to each topical interest committee and a report on the committee's activities shall be provided at the Board's regular meeting.

ARTICLE 8 – MEETINGS OF DIRECTORS

Section 8.1. Place of Meetings.

The Board may hold its meetings at such places as the Board may appoint or as may be designated in the notice of the meeting.

Section 8.2. Regular Meeting.

The Board shall meet at least once a year (either in person or by telephone conference call) at such time and place as determined by the Chair or by vote of the Board and included in the notice provided in accordance with Section 10.1. If the date fixed for any meeting is a legal holiday under the laws of Minnesota, the meeting shall be held on the next succeeding business day or at such other time as may be determined by resolution of the Board. The Board shall transact such business as may properly be brought before its meetings. In the event a Director is unable to attend a meeting, the Director may designate in a writing addressed to the Chairperson that a specific individual from his or her Member organization to attend with voice and vote as the Director's delegate.

Section 8.3. Special Meetings of the Board.

The Chairperson or any two Directors may call special meetings of the Board which shall be held at such time and place as shall be designated in the call for the meeting. At least five (5) business days' notice of any special meeting shall be given to each Director pursuant to Section 10.1 or by telephone. Such notice shall state the time and place of such special meeting but need not state the purpose of the special meeting.

Section 8.4. Quorum

A majority of Directors shall constitute a quorum for the transaction of business.

Section 8.5. Participation in Meetings Via Remote Communications.

One or more Directors may participate in a meeting of the Board or a committee thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting by remote communication constitutes personal presence at the meeting.

Section 8.6. Written Action.

Any action which may be taken at a meeting of the Directors may be taken without a meeting, if a consent or consents in writing, setting forth the action so taken, shall be signed by two-thirds (2/3) of the current Directors and filed with the Secretary of the Corporation.

ARTICLE 9 – OFFICERS

Section 9.1. Number.

The officers of the Corporation shall include a Chairperson, a Vice Chairperson, a Secretary, and a Treasurer. The officers may include one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as the Board may determine by resolution. Any number of offices may be held by the same person.

Section 9.2. Qualifications of Officers.

The officers shall be natural persons at least 18 years of age, except that the Treasurer may be a corporation. The Chairperson and Vice Chairpersons shall be Directors. The Secretary and Treasurer and any other officers as the Board may determine by resolution need not be Directors.

Section 9.3. Election and Term of Office.

The offices of Chairperson, Vice Chairperson, Secretary and Treasurer of the Corporation shall be elected by the Members at the annual meeting of the Members. Each officer shall serve for a term of two years and until his or her successor has been elected and qualified, or until his or her earlier death, resignation, or removal. After serving three consecutive terms as Chairperson, the Chairperson shall not be eligible for reelection as an officer for at least two years. The Chairperson of the Church Alliance shall not be eligible to serve concurrently as Chairperson of the Corporation. In the event the Chairperson ceases to be a Director for whatever reason, the Vice-Chairperson shall serve the unexpired term.

The Secretary and Treasurer (who may be the same individual) need not be a Director of the Corporation. Unless the Board resolves otherwise, any assistant secretary and assistant treasurer shall be selected by and serve at the will of the Chairperson.

Section 9.4. Removal of Officers.

Any officer or agent may be removed with or without cause by the Board whenever in its judgment the best interests of the Corporation will be served. Such removal shall be without prejudice to the contract rights, if any, of any person so removed.

Section 9.5. Resignations.

Any officer may resign at any time by giving written notice to the Corporation. The resignation shall be effective upon receipt by the Chairperson or Secretary or at such subsequent time as may be specified in the notice of resignation.

Section 9.6. The Chairperson.

The Chairperson shall be the chief executive officer of the Corporation and shall have general supervision over the business and operations of the Corporation, subject to the control of the Board. The Chairperson shall chair all meetings of the Board, the Executive Committee, and the Members except as provided in Section 5.3. The Chairperson shall execute in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation. In general, the Chairperson shall perform all duties incident to the office of Chairperson and such other duties as may be assigned by the Board.

Section 9.7. The Vice Chairperson.

In the absence or disability of the Chairperson or when so directed by the Chairperson, the Vice Chairperson may perform all the duties of the Chairperson, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chairperson. The Vice Chairperson shall perform such other duties as may be assigned by the Board or the Chairperson.

Section 9.8. The Secretary.

The Secretary shall attend all meetings of the Board and of the Members. The Secretary shall record or cause to be recorded all votes of the Board and of the Members and the minutes of the meetings of the Board and of the Members in a book or books to be kept for that purpose. The Secretary shall see that required notices of meetings of the Board and of the Members are given and that all records and reports are properly kept and filed by the Corporation. In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as may be assigned by the Board or the Chairperson.

Section 9.9. Assistant Secretaries.

In the absence or disability of the Secretary or when so directed by the Secretary, any Assistant Secretary may perform all the duties of the Secretary, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Secretary. Each Assistant Secretary shall perform such other duties as may be assigned by the Board, the Chairperson, or the Secretary.

Section 9.10. The Treasurer.

The Treasurer shall be responsible for corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall have full authority to receive and give receipts for all money due and payable to the Corporation, and to endorse checks, drafts, and warrants in its name and on its behalf and to give full discharge for the same. The Treasurer shall deposit all funds of the Corporation, except such as may be required for current use, in such banks or other places of deposit as the Board may designate. In general, the Treasurer shall perform all duties incident to the office of Treasurer and such other duties as may be assigned by the Board or the Chairperson.

Section 9.11. Assistant Treasurers.

In the absence or disability of the Treasurer or when so directed by the Treasurer, any Assistant Treasurer may perform all the duties of the Treasurer, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer. Each Assistant Treasurer shall perform such other duties as may be assigned by the Board, the Chairperson, or the Treasurer.

Section 9.12. Compensation of Officers.

The compensation of all officers shall be fixed by the Board or any committee or officer authorized by the Board. No officer shall be precluded from receiving such compensation by reason of the fact that he or she is also a Director of the Corporation.

ARTICLE 10 – NOTICE

Section 10.1. Written Notice.

Whenever written notice is required to be given to any person, it may be given to the person, either personally or by sending a copy by first class or overnight delivery mail, postage prepaid, or by courier service, charges prepaid, or by facsimile or electronic mail, to his or her address, facsimile number or electronic mail address appearing on the books of the Corporation or, in the case of Directors, supplied by him or her to the Corporation for the purpose of notice. If the notice is sent by mail or courier service, it shall be deemed to have been given when deposited in the United States mail or courier service for delivery to that person or, in the case of facsimile or electronic mail, when receipt has been confirmed. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by the Act. Except as otherwise provided by the Act or these Bylaws, when a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting, or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 10.2. Waiver by Writing.

Whenever any written notice is required to be given, a waiver in writing, signed by the person or persons entitled to the notice, whether before or after the time stated, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

Section 10.3. Waiver by Attendance.

Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE 11 – CONFLICTS OF INTEREST

Section 11.1. Interested Directors and Officers.

No contract or transaction between the Corporation and one or more of its Members, Directors, or officers or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for such reason, or solely because the Member, Director, or officer is present at or participates in the meeting of the Board which authorizes the contract or transaction, or solely because his, her, or their votes are counted for that purpose, if:

- (a) The material facts as to the contract or transaction and as to the Director's interest are fully disclosed or known to the Board or a Committee and the Board or Committee authorizes, approves or ratifies the contract or transaction in good faith by a majority of the Board or Committee, not counting any vote that the interested Director might otherwise have, and not counting the Director in determining the presence of a quorum;
- (b) The material facts as to the contract or transaction and as to the Director's interest are fully disclosed or known to the Members and the contract or transaction is approved in good faith by two-thirds (2/3) of the Members entitled to vote, not counting any vote that the interested Director might otherwise have, or the unanimous affirmative vote of all Members, whether or not entitled to vote; or
- (c) The contract or transaction was, and the person asserting the validity of the contract or transaction has the burden of establishing that the contract or transaction was fair and reasonable as to the Corporation as of the time it is authorized, approved, or ratified by the Board or the Members.
- (d) Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes the contract or transaction.

ARTICLE 12 – STANDARD OF CONDUCT

Section 12.1. Standard of Conduct.

A Director or officer shall discharge the duties of the position of Director, or the duties of an office in good faith, in a manner the Director or officer reasonably believes to be in the best interests of the Corporation and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

A Director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- (a) One or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;
- (b) Counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person; or

- (c) A committee of the Board upon which the Director does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if the Director has actual knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

Section 12.2. Presumption.

Absent breach of fiduciary duty, lack of good faith, or self-dealing, actions taken by the Board, committees of the Board, or by individual Directors, or any failure to take any action, shall be presumed to be in the best interests of the Corporation.

Section 12.3. Notation of Dissent.

A Director who is present at a meeting of the Board when an action is approved by the Board is presumed to have assented to the action unless the Director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting; votes against the action at the meeting; or is prohibited from voting on the action by the Articles or Bylaws pursuant to a conflict of interest policy adopted by the Board.

ARTICLE 13 – LIMITATION OF LIABILITY; INSURANCE

Section 13.1. Limitation of Liability of Directors.

A person who serves without compensation as a Director, officer or Member of an organization exempt from state income tax under section 290.05, subdivision 2, is not civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as a Director, officer or Member, and did not constitute willful or reckless misconduct, except for:

- (a) an action or proceeding brought by the Attorney General for a breach of a fiduciary duty as a Director;
- (b) a cause of action to the extent it is based on federal law;
- (c) a cause of action based on the person's express contractual obligation; or
- (d) an action or proceeding based on a breach of public pension plan fiduciary responsibility.

An individual's liability is not limited for physical injury to a person or for wrongful death that is personally and directly caused by the individual.

Section 13.2. Insurance.

A corporation may buy and maintain insurance on behalf of a person in that person's official capacity against liability asserted against and incurred by the person in or arising from that capacity, whether or not the corporation would have been required to indemnify the person against the liability.

ARTICLE 14 – INDEMNIFICATION

Section 14.1. Third-Party Actions.

The corporation shall indemnify, to the fullest extent permitted by law, each person made or threatened to be made a party to a proceeding by reason of the fact that the person is or was a Director, officer, Member or member of a committee of the Board, against judgments, penalties, fines, including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements and reasonable expenses, including attorney's fees and disbursements, incurred by the person in connection with the proceeding if he or she has not been indemnified by another organization or employee benefit plan for the same liability; acted in good faith; received no improper personal benefit; in the case of a criminal proceeding, did not have reasonable cause to believe the conduct was unlawful; or reasonably believed that the conduct was in the best interests of the corporation.

Section 14.2. Procedure for Effecting Indemnification.

Unless ordered by a court, any indemnification under Section 14.1 shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 14.1. The determination shall be made:

- (a) By the Board by a majority vote of a quorum consisting of Directors who were not parties to the action or proceeding;
- (b) If a quorum under clause (a) cannot be obtained, by a majority of a committee of the Board, consisting solely of two or more Directors not at the time parties to the proceeding, duly designated to act in the matter by a majority of the full Board including Directors who are parties;
- (c) If a determination is not made under clause (a) or (b), by special legal counsel selected either by a majority of the Board or a committee by vote; or
- (d) By the Members with voting rights, other than Members who are parties to the proceeding.

Section 14.3. Advancing Expenses.

If a person entitled to indemnification pursuant to Section 14.1 is made or threatened to be made a party to a proceeding, the person is entitled, upon written request to the corporation, to payment or reimbursement by the corporation of reasonable expenses, including attorney's fees and disbursements, incurred by the person in advance of the final disposition of the proceeding upon receipt by the corporation of a written affirmation by the person of a good faith belief that the criteria for indemnification have been satisfied and a written undertaking by the person to repay the amounts paid or reimbursed by the corporation if it is determined the criteria for indemnification have not been satisfied and after a determination that the facts then known to those making the determination would

not preclude indemnification.

Section 14.4. Duration and Extent of Coverage.

The indemnification and advancement of expenses provided by or granted pursuant to this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Director, Member, officer, or member of a committee of the Board and shall inure to the benefit of the heirs and personal representatives of that person.

ARTICLE 15 – TRANSACTION OF BUSINESS

Section 15.1. Negotiable Instruments.

The Board shall designate one or more officers or other persons who shall sign all checks or demands for money and notes of the Corporation.

Section 15.2. Corporate Seal.

This corporation shall have no seal.

ARTICLE 16 – CORPORATE RECORDS

Section 16.1. Corporate Records.

The Corporation shall keep (a) minutes of the proceedings of the Members and the Board, (b) a membership register showing the names and addresses of the Members and the class and other details of membership, and (c) appropriate, complete, and accurate books or records of account, at its registered office or the principal place of business or any actual business office of the Corporation.

ARTICLE 17 – AMENDMENTS

Section 17.1. Amendments.

Except as otherwise provided by the Act or in these Bylaws, provisions of these Bylaws of the Corporation, other than provisions that pertain to the qualifications, rights, duties, obligations and powers of the Members, the number of or process for the appointment of Standing Directors or election of Elected Directors, quorum or voting requirements, may be amended by a vote of two-thirds (2/3) of the Directors present at any meeting of the Directors after notice of such purpose has been given. Amendments to the reserved provisions must be approved by a majority of the Members. Notwithstanding the foregoing, the Bylaws of the Corporation may be amended by a vote of two-thirds (2/3) of the Members. Bylaws of the Corporation may only be amended at any meeting after notice of such purpose has been given.