

Bylaws of



Applied Client Network, Inc.

TABLE OF CONTENTS

ARTICLE I NAME & PURPOSES	5
Section 1. Name.....	5
Section 2. Purposes.....	5
Section 3. Offices.....	5
ARTICLE II MEMBERSHIP	5
Section 1. Membership Qualifications.....	5
Section 2. Application.....	5
Section 3. Classifications.....	5
Section 4. Member Rights.....	6
Section 5. Member Responsibilities.....	7
Section 6. Member Resignation.....	7
Section 7. Member Suspension/Expulsion.....	7
Section 8. Member Reinstatement.....	7
Section 9. Rights of Proprietorship.....	7
ARTICLE III DUES, FEES AND ASSESSMENTS	7
Section 1. Dues.....	7
Section 2. Fees & Assessments.....	7
Section 3. Payment.....	7
ARTICLE IV MEMBERSHIP MEETINGS.....	8
Section 1. Annual Meeting.....	8
Section 2. Special Meetings.....	8
Section 3. Notice.....	8
Section 4. Quorum.....	8
Section 5. Manner of Acting.....	8
Section 6. Electronic Communications.....	8
Section 7. Mail & Proxy Voting.....	8
ARTICLE V CHAPTERS	9
Section 1. Establishment and Purpose.....	9
Section 2. Affiliation.....	9
Section 3. Membership.....	9
Section 4. Authority and Limitations.....	9
Section 5. Dissolution.....	9
ARTICLE VI COMMITTEES & TASK FORCES	9
Section 1. Standing Committees.....	9
Section 2. Advisory/Ad Hoc Committees and Task Forces..	11

ARTICLE VII BOARD OF DIRECTORS	12
Section 1. Purpose.....	12
Section 2. Composition.....	12
Section 3. Qualifications.....	12
Section 4. Term.	13
Section 5. Nomination/Election..	13
Section 6. Meetings.	14
Section 7. Resignation.	15
Section 8. Removal.....	15
Section 9. Vacancies.....	15
Section 10. Compensation and Loans.	15
ARTICLE VIII OFFICERS.....	15
Section 1. Officers.....	15
Section 2. Office of the Chair.....	15
Section 3. Election.....	15
Section 4. Terms.....	16
Section 5. Vacancies.....	16
Section 6. Removal.....	16
Section 7. Resignation.	16
Section 8. Duties of Officers.....	16
ARTICLE IX CHIEF EXECUTIVE OFFICER.....	17
Section 1. Appointment.....	17
Section 2. Duties.....	17
ARTICLE X BYLAW AMENDMENTS.....	18
Section 1. Proposals.....	18
Section 2. Member & Committee Proposals.	18
Section 3. Board Proposals..	18
Section 4. Required Vote, Effective Date and Notice.	18
ARTICLE XI INDEMNIFICATION	19
ARTICLE XII DISSOLUTION	19
Section 1. Approval.	19
Section 2. Distribution of Assets.....	19
ARTICLE XIII FINANCIAL MATTERS	19
Section 1. Fiscal Year.	19
Section 2. Annual Budget.....	19
Section 3. Accounting/Association.	19

Section 4. Independent Audits.....	19
Section 5. Bonding.....	20
ARTICLE XIV ADDITIONAL PROVISIONS.....	20
Section 1. Authorization to Act on Behalf of Association.	20
Section 2. Electronic Communications.....	20
Section 3. Severability.....	20
Section 4. Language.....	20
Section 5. Use of Association Intellectual Property.....	20
Section 6. Allied and Cooperative Relationships.....	20

Bylaws of Applied Client Network, Inc.

ARTICLE I NAME & PURPOSES

Section 1. Name. The name of this corporation shall be Applied Client Network, Inc. NFP (hereinafter referred to as “Association”), an Illinois not-for-profit corporation.

Section 2. Purposes. In addition to the purposes set forth in the Association’s Articles of Incorporation, as may be amended, the purposes of the Association are to support the Association’s mission and vision to be recognized as a leading resource for enhancing agency and brokerage profitability and value.

Section 3. Offices. The Association shall have and continuously maintain in the State of Illinois a registered office and a registered agent whose office is identical with that registered office and may have such other offices, within or without the State of Illinois, as the Board of Directors may determine.

ARTICLE II MEMBERSHIP

Section 1. Membership Qualifications. Membership may be granted to any corporation or other entity that: (i) meets the criteria set forth for each category of membership in the Association; (ii) shares interest in and supports the purposes of the Association; (iii) abides by these Bylaws and such other policies, rules, and regulations as the Association may adopt; and (iv) meets such additional criteria for each category of membership in the Association as the Board of Directors may establish. Individuals are not eligible for membership in the Association.

Section 2. Application. The Board of Directors, or its designee(s), shall adopt an application form and procedures to facilitate the consideration of applicants for membership in the Association. All applicants shall complete the application form and submit the application, along with the designated fee, if any, to the administrative office of the Association. The Board of Directors, or its designee(s), shall review all applications for membership and determine, based on the criteria set forth in these Bylaws and such other guidelines as the Board of Directors may prescribe, whether individual applicants meet the qualifications necessary for membership in the Association. All such qualified applicants shall become members upon notice from the Association and payment of dues.

Section 3. Classifications. The Association’s membership shall be comprised of User Members and Associate Members.

(a) **User Members.**

(i) Insurance agencies/brokerages that have implemented or are implementing one or more Applied Systems, Inc., products to manage their organization's business processes are eligible for User Membership in the Association.

(ii) All of a User Member's employees are considered "User Member Representatives" and can participate in Association activities as set forth in these Bylaws and the Association's policies.

(iii) User Members must identify a "Primary Representative." The Primary Representative will be the User Member's official representative within the Association and will be the only individual authorized to vote and take action on behalf of the User Member.

(b) **Associate Members.**

(i) Corporations or other types of organizations with a primary business interest in activities benefiting User Members may be eligible for Associate Membership in the Association.

(ii) Associate Members must identify a "Primary Representative." The Primary Representative will be the Associate Member's official representative within the Association and will be the only individual authorized to take action on behalf of the Associate Member.

Section 4. Member Rights.

(a) **User Members.**

(i) User Members shall have the right to vote on all matters presented to the Association's voting members ("User Members" shall also be referred to herein as the "voting members"). Notwithstanding the foregoing, only the User Member Primary Representatives shall have the right to vote in the Association's elections.

(ii) User Member Representatives may participate in committees and task forces; serve in leadership roles on committees and task forces; vote in the Association's elections; hold office in the Association; and serve on the Association's Board of Directors.

(iii) Notwithstanding the foregoing, User Member Representatives actively engaged in performing or providing consulting services may not (i) serve in leadership roles on committees and task forces; or (ii) serve on the Board of Directors. For purposes of these Bylaws, consulting services are defined as those services that directly compete with the Association. User Member Representatives wishing to pursue committee leadership or a seat on the Board of Directors must cease providing consulting services immediately prior to and during their time in such leadership role.

(iv) User Members may transfer membership in the Association in accordance with the Association's policies and procedures.

(v) Each eligible User Member Representative shall have one (1) vote in the Association's elections and each User Member Representative shall have one (1) vote on all other matters presented to the voting members.

(b) **Associate Members.** Associate Members have no voting rights. Associate Members may attend the Association's meetings and conferences, and participate in the Association's committees and task forces. Associate Members cannot chair an Association committee or serve on the Board of Directors.

Section 5. Member Responsibilities. Membership in the Association shall be renewed annually, provided that the member (i) abides by these Bylaws and any other rules or regulations adopted by the Board of Directors from time to time; and (ii) pays all applicable membership dues, fees, and other assessments as and when due.

Section 6. Member Resignation. Any member may resign in writing, including electronic transmission, addressed to the CEO. Resignation will be effective upon receipt unless otherwise stated. Resignation will not relieve the member of the obligation to pay dues and other assessments accrued before the effective date of the resignation. No portion of any dues paid shall be refunded to the resigned member. Members who have not paid their dues within 30 days of the due date shall be presumed to have resigned from the Association.

Section 7. Member Suspension/Expulsion. The Board may censure, suspend or expel any member for cause and after a fair hearing -- by an affirmative vote of the majority of the board members present and voting at a duly called meeting in accordance with Association policies and procedures.

Section 8. Member Reinstatement. Members may request reinstatement in accordance with Association policies and procedures.

Section 9. Rights of Proprietorship. Membership is a privilege and not a property right. No Member will have an ownership or property right in Association funds, property or other assets.

ARTICLE III DUES, FEES AND ASSESSMENTS

Section 1. Dues. Annual dues and the dues structure shall be established by the Board and shall be paid directly to the organization in accordance with Association policies and procedures.

Section 2. Fees & Assessments. All fees and assessments will be approved by the Board of Directors.

Section 3. Payment. Dues, fees, and other assessments will be payable on or before the membership renewal date unless the Board specifies otherwise. A member that does not pay dues, fees and other assessments within 30 days of the due date will be in default and will not be entitled to exercise rights and privileges of membership unless reinstated. Reinstatement will be allowed in accordance with Association policies and procedures.

ARTICLE IV MEMBERSHIP MEETINGS

Section 1. Annual Meeting. An annual business meeting of the voting members of the Association shall be held at such time and place as shall be determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the voting members of the Association may be called at the request of the Chair or a majority of the Board of Directors, or at the written request of 5% of the Association's voting members. The time and place for holding special meetings shall be determined by the Board of Directors.

Section 3. Notice.

(a) Notice of any annual meeting of the voting members shall state the time, date, place, and purpose of the meeting, and shall be delivered not more than sixty (60) and not less than five (5) days prior to the date of such meeting, unless otherwise required by applicable law.

(b) Notice of any special meeting of the voting members must be given within 30 days after receipt of a demand for such special meeting and the special meeting must be held within 45 days of receipt of such demand.

Section 4. Quorum. The lesser of (i) ten percent (10%) of the eligible voting members of the Association; or (ii) fifty (50) eligible voting members of the Association present in person or by proxy shall constitute a quorum for the transaction of business at any duly called meeting of the voting members, provided that if less than a quorum is present, a majority of the voting members present may adjourn the meeting to another time without further notice.

Section 5. Manner of Acting. The act of a majority or more of the voting members present (in person or by proxy) at a duly called meeting at which a quorum is present shall be the act of the members, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws.

Section 6. Electronic Communications. Member meetings may be via telephone conference call, similar form of telecommunications, or any technologies available which would permit all to simultaneously communicate and effectively participate.

Section 7. Mail & Proxy Voting. Voting by proxy, mail or electronic means on any matter before the voting members shall be permitted to the full extent allowed by the Illinois Not-For-Profit Corporation Act of 1986, as may be amended ("Act"). A mail or electronic vote may be called by the Board of Directors.

ARTICLE V CHAPTERS

Section 1. Establishment and Purpose.

(a) **Establishment.** Chapters may be established to represent distinct geographic areas or specific interests within the Association in accordance with these Bylaws, policies and procedures.

(b) **Purpose.** Chapters will advance the general and specific purposes of the Association.

Section 2. Affiliation. Each Chapter must complete the required affiliation agreement and renewal information on an annual basis and comply with the Association's Bylaws, guidelines, policies, and procedures in order to maintain affiliation with the Association.

Section 3. Membership. Chapter membership is open to User Members and Associate Members. Chapter membership is voluntary and a member may choose to belong to any Chapter(s) of their choice.

Section 4. Authority and Limitations. Chapters will carry out the purposes of the Association, comply with these Bylaws and all of the Association's rules, policies and regulations. Chapter bylaws, and any amendments thereto, must be approved in advance by the Board (or its designee) and must be consistent with the Association's Bylaws, policies and procedures.

Section 5. Dissolution. Either the Association Board of Directors or the Chapter may dissolve a chapter. In instances where the chapter initiates dissolution, the local chapter bylaws will dictate the process. Association policies and procedures will dictate the process when the Board dissolves a chapter. Upon dissolution (for whatever reason), a Chapter's remaining assets (after meeting any obligations) shall be distributed to the Association.

ARTICLE VI COMMITTEES & TASK FORCES

Section 1. Standing Committees.

(a) Finance Committee.

(i) **Purpose.** The Finance Committee will oversee the Association's financial affairs and the annual audit.

(ii) **Composition.** The Committee membership will consist of 7 members as follows: (i) Treasurer of the Association (who will serve as the Chair of the Finance Committee); (ii) Chair of the Association; (iii) Two Current Board Members (to be appointed by the Board); and (iv) Two Members at Large (to be appointed by the Board). The Association's CEO shall be an ex officio non-voting member of the Finance Committee.

(b) **Leadership, Education, Advancement, and Development (LEAD) Committee.**

(i) **Purpose.** The LEAD Committee is responsible for the recruitment, training, assessment, and ongoing recommendations to enhance the quality and viability of current and future association leadership. As such, one of its primary roles is to identify the experiences and knowledge needed throughout the Association and leaders to fill those needs.

(ii) **Composition.** The committee membership will range from a minimum of 11 members, up to a maximum of 15 members including the Association's CEO who will serve as a non-voting member of this committee. Committee membership will be determined by the Board of Directors and Association User Members as outlined in applicable policy.

The Chair and Vice Chair of the LEAD Committee will be selected by the Committee members each year. The Vice Chair will not automatically succeed to the Chair role the following year. For the initial year of the Committee (2011), the Board will select the Chair and Vice Chair.

(c) **Member Relations Committee.**

(i) **Purpose.** The committee is responsible for (i) fostering a strong relationship between the Association and its members; (ii) approving new member applications; and (iii) addressing other membership matters.

(ii) **Composition.** The committee membership will include representation from Association members.

(d) **Governance Committee.**

(i) **Purpose.** The Governance Committee is responsible for (i) assisting the Board in its interpretation of the Association's Bylaws, policies and procedures; (ii) conducting periodic reviews of the Bylaws and recommending changes to the Board when needed; and (iii) reviewing governance policies and changes prior to vote by the Board of Directors.

(ii) **Composition.** Committee membership will be determined by the Board of Directors as outlined in applicable policy.

(e) **Other Standing Committees.** The Board of Directors may establish such other standing committees as it deems necessary or prudent in the exercise of its authority and responsibility as set forth in these Bylaws.

(f) **Authority/Composition/Qualifications.** The action establishing a standing committee shall set forth the committee's purpose, authority, and composition, and the qualifications required for membership on the committee. In the absence of any direction to the contrary in the authorizing action, the Chair shall appoint the Chairperson and members of all standing committees, subject to the approval of the Board of Directors. Any committee having the authority of the Board of Directors shall have members of the Board of Directors as a

majority of its members. Standing Committees may be terminated or repurposed by a majority vote of the Board of Directors.

User Member Representatives and Associate Members may serve on the Association's committees and task forces. However, User Member Representatives actively engaged in performing or providing consulting services and Associate Members may not serve in a leadership position on any of the Association's committees or task forces. For purposes of these Bylaws, consulting services are defined as those services that directly compete with the Association. User Member Representatives wishing to pursue committee or task force leadership must cease providing consulting services immediately prior to and during their time in such leadership role.

The Association's Chair will serve as an ex-officio member of all committees, with the exception of the LEAD and Governance Committees.

(g) **Quorum and Manner of Acting.** At all meetings of any standing committee, a majority of the members shall constitute a quorum for the transaction of business unless otherwise set forth in these Bylaws or the resolution establishing such committee. A majority vote by committee members present and voting at a meeting at which a quorum is present shall be required for any action.

(h) **Committee Vacancies.** Except as otherwise provided herein, vacancies in the membership of a committee shall be filled by the Board of Directors (or its designee(s)).

(i) **Removal of Committee Members.** Any member of a Committee may be removed by the person or persons authorized to appoint such member or a majority vote of the Association Board of Directors whenever in their judgment the best interests of the Association shall be served by such removal.

(j) **Policies and Procedures.** The Board of Directors shall develop and approve policies and procedures for the operation of all standing committees. All standing committees shall report to the Board of Directors, unless otherwise set forth in the resolution establishing such committee.

Section 2. Advisory/Ad Hoc Committees and Task Forces. The Chair or Board of Directors may appoint such advisory or ad hoc committees or task forces as are necessary or appropriate in the exercise of its authority and responsibility as set forth in these Bylaws. An ad hoc committee shall terminate three (3) years from the date of its creation, unless renewed by the Board of Directors. A task force shall terminate after one (1) year from the date of its creation, unless renewed. Ad hoc committees and task forces may be established for longer or shorter periods with the approval of the Board of Directors. The action establishing such a committee or task force shall set forth the committee's or task force's purpose and composition.

(a) **Quorum and Manner of Acting.** At all meetings of any advisory or ad hoc committee or task force, a majority of the members thereof shall constitute a quorum for the transaction of business. A majority vote by committee or task force members present and voting at a meeting at which a quorum is present shall be required for any action.

(b) **Committee/Task Force Vacancies.** Except as otherwise provided herein, vacancies in the membership of a committee or task force shall be filled by appointments made in the same manner as the original appointments to that committee/task force.

(c) **Policies and Procedures.** The Board of Directors shall develop and approve general policies and procedures for the operating of all committees and task forces. All committees and task forces shall report to the entity creating the committee/task force.

(d) **Ex Officio Member.** The Association's Chair shall serve as an ex-officio member of all committees, except the LEAD and Governance Committee.

(e) **Removal of Committee Members.** Any member of a Committee may be removed by the person or persons authorized to appoint such member or a majority vote of the Association Board whenever in their judgment the best interests of the Association shall be served by such removal.

ARTICLE VII BOARD OF DIRECTORS

Section 1. Purpose. The affairs of the Association shall be managed by the Board of Directors, hereafter also referred to as the Board. The Board shall be responsible for carrying out the duties prescribed in these Bylaws and Association policies and procedures. The Board will publish and make available an annual report which will include the prior year's financials to the membership within 180 days after the end of the fiscal year.

Section 2. Composition. The Board will consist of ten to fifteen qualified User Member Representatives with the exact number of Directors determined by the Board from time to time in accordance with the Association's policies and procedures. The Association's Officers shall be elected by the Board from and amongst the members of the Board. The CEO is invited to attend and participate in all meetings of the Board, with the exception of this held in executive session.

Section 3. Qualifications.

(a) Directors must be User Member Representatives of User Members in good standing.

(b) User Member Representatives actively engaged in performing or providing consulting services may not serve on the Board of Directors. User Member Representatives wishing to pursue a seat on the Board must cease providing consulting services immediately prior to running for office and may not resume such activities until such time as they no longer serve on the Board.

(c) No more than one (1) User Member Representative representing or employed by a User Member (or legally affiliated User Members, including without limitation parent/subsidiary, brother/sister (subsidiaries of the same parent), partnership/partner, or corporation/division) may serve on the Board at a time.

(d) A previous Board member may be elected to any Board position provided that there is a break in service. For purposes of these Bylaws, a “break in service” is defined as two years from the conclusion of their previous Board term.

Section 4. Term.

(a) **Beginning of Term.** Terms for Office of the Chair, Treasurer, and At-large Directors begin January 1 of the year following election.

(b) **At-large Directors.** At-large Directors will serve a three year term in office, or until such time as their successors are duly elected, qualified and take office. At-large Directors may not serve more than two complete consecutive terms in office or more than eight consecutive years.

(c) **Office of the Chair.** Directors elected to the Office of the Chair will serve one three year term, serving one year each as Vice Chair, Chair, and Past Chair. This term supersedes any remaining time on the Director's At-large term.

Notwithstanding anything set forth in these Bylaws to the contrary, in order to provide continuity during this time of organizational change, the Officers of the Office of the Chair in 2017 would remain static in their positions for 2018 and their term would be extended from 3 years to 4 years. After this one-year hiatus, the terms of office for the Office of the Chair would revert back to the 3-year term as previously defined with all term limits as defined in Article VII, Section 4 (c) and (e) and Article VIII, Section 4 (a) for any new officers assuming positions within the office.

(d) **Treasurer.** Directors elected to the Treasurer position will serve a two year term in office, and can be re-elected for a total of three consecutive terms. These terms supersede any remaining time on the Director's At-large term.

(e) **Term Limits.** No individual will remain on the Board, regardless of their position, for more than nine consecutive years in office.

Notwithstanding anything set forth in these Bylaws to the contrary, in order to stagger the terms of the At-large Directors, the terms of seven (7) of the At-large Directors elected to take office on January 1, 2013 shall be elected to serve the following terms:

Two (2) At-large Directors shall be elected to serve a one (1) year term in office

Two (2) At-large Directors shall be elected to serve a two (2) year term in office

Three (3) At-large Directors shall be elected to serve a three (3) year term in office

Upon expiration of the terms set forth above, subsequent terms for any elected At-large Directors shall be a full three (3) year term in office in accordance with Article VII, Section 4(b) above. Effective June 27, 2012.

Section 5. Nomination/Election. The LEAD Committee shall review candidates in accordance with its procedures and shall recommend a slate of qualified candidates to the Board to fill each seat on the Board that is either vacant or set to expire no later than thirty (30) days prior to the Annual Membership Meeting. The Board of Directors shall take action to approve such slate in a manner to be determined by the Board, with such changes as it deems necessary or prudent, in its discretion. In the event the Board of Directors does not approve a candidate(s) included in the slate, it shall request that the LEAD Committee present such additional

candidates to the Board of Directors as necessary to fill each seat on the Board of Directors that is either vacant or set to expire. Upon approval of the Board, the Board shall elect the slate presented by the LEAD Committee and present the newly elected directors to the membership at the Annual Membership Meeting.

Section 6. Meetings.

(a) **Regular Meetings.** The Board of Directors may take action to set the time, date, and place for the holding of a regular annual meeting of the Board of Directors and additional regular meetings of the Board of Directors without other notice than such action.

(b) **Special Meetings.** Special meetings of the Board of Directors may be called by, or at the request of, the Chair or upon a written request to the Secretary of five (5) members of the Board of Directors. Notice of any special meeting of the Board of Directors shall state the time, date, and place of the meeting and shall be delivered at least ten (10) days prior to the date of such meeting.

(c) **Meeting by Conference Call.** Any action to be taken at a meeting of the Board of Directors or any committee thereof may be taken through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such a meeting shall constitute presence in person at the meeting of the persons so participating. Notwithstanding anything set forth to the contrary in these Bylaws, notice of any meeting to be held by conference call (whether regular or special) may be delivered a minimum of twenty-four (24) hours prior to the meeting.

(d) **Waiver of Notice.** Notice of a Board meeting need not be given to a director who signs a waiver of notice either before or after the meeting. Meeting attendance by a director will constitute a waiver of notice and a waiver of objections to the meeting time and place and the manner in which it was called or convened, except when a director states, at the beginning of the meeting or promptly upon arrival at the meeting, an objection to transacting business because the meeting is not lawfully called or convened.

(e) **Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any duly called meeting of the Board of Directors; provided that when less than a quorum is present at said meeting, a majority of the Board of Directors members present may adjourn the meeting to another time without further notice.

(f) **Manner of Acting.** The act of a majority of Directors present at a duly called meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws. Notwithstanding the foregoing, the approval of two-thirds of Directors present at a duly called meeting at which a quorum is present shall be required to take the following actions: (i) purchase of real property; (ii) termination of the CEO's employment; (iii) election of Directors and Officers; (iv) removal of a Director; and (v) amendment of the Bylaws. Voting by proxy is prohibited at Board meetings.

(g) **Action by Written Consent.** Any action requiring a vote of the Board of Directors may be taken without a meeting if a consent, setting forth the action taken, is approved by all of

the members of the Board of Directors entitled to vote with respect to the subject matter thereof.

(h) **Minutes.** Minutes of all Board meetings will be maintained by the Association and made available to all members in accordance with the Act.

Section 7. Resignation. A Director may resign in writing submitted to the Association's Chair. A resignation will be effective when specified in the written resignation or, if no date is specified, on the acceptance date of the resignation as determined by the Chair.

Section 8. Removal. A Director who is no longer qualified to serve on the Board shall immediately be removed and replaced by the Board. A Director may also be removed at any time with or without cause by a two-thirds affirmative vote of the Board of Directors at any regular or special meeting at which a quorum of the Board is present, and in accordance with the Association policies and procedures.

Section 9. Vacancies. The LEAD Committee will take immediate action to recommend a qualified User Member Representative to fill any Board vacancy and the Board shall appoint such candidate without undue delay. A Director elected pursuant to this Section shall hold their position for the remainder of the original term for which he or she was elected to fill.

Section 10. Compensation and Loans.

(a) Directors will not receive any compensation, however Directors will be reimbursed for expenses incurred during the course of Association business in accordance with Association policies and procedures.

(b) Nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving compensation therefore.

(c) The Association will not make loans to Directors.

ARTICLE VIII OFFICERS

Section 1. Officers. The Officers of the Association shall be a Chair, Vice Chair, Treasurer, Secretary and Past Chair. The Chair, Vice Chair, Treasurer, and Past Chair shall be elected from amongst the members of the Board of Directors. The Association's CEO shall serve as the Association's Secretary.

Section 2. Office of the Chair. The Chair, Vice Chair, and Past Chair will serve as Office of the Chair. The Office of the Chair is principally created as an advisor to the CEO and to provide continuity of leadership. The Office of the Chair has no authority to vote as a group or make decisions on behalf of the Board.

Section 3. Election. The LEAD Committee will slate the candidates for Vice Chair and Treasurer for election by the Board of Directors at their Annual Meeting. If the election of Officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. At the end of the Chair's term, the Chair will automatically succeed to Past Chair and the Vice Chair will automatically succeed to Chair. Upon completion of the Past Chair's term, the Past Chair is immediately eligible to seek election to an at-large Board position if the Past Chair's

current board tenure has not exceeded 5 (five) consecutive years - calculated at the conclusion of the Past Chair term. Otherwise, the Past Chair shall be bound by the break in service as outlined in Article VII, Section 3 (d). If re-elected to the Board, the Past Chair will not be eligible for election to any Board Officer position until there has been a two-year break in service from the Board as outlined in Article VII 3 (d).

A minimum of one year prior experience serving on the Association's Board is required before a Director can be elected to the Office of the Chair.

Section 4. Terms.

(a) **Office of the Chair.** Directors elected to the Office of the Chair will serve one three year term, serving one year each as Vice Chair, Chair, and Past Chair. This term supersedes any remaining time on the Director's At-large term.

(b) **Treasurer.** Directors elected to the Treasurer position will serve a two year term, and can be re-elected for a total of three consecutive terms. These terms supersede any remaining time on the Director's At-large term.

Section 5. Vacancies.

(a) If the Office of Past Chair, Vice Chair, or Treasurer becomes vacant, the Chair, working in conjunction with the LEAD Committee, will slate an Officer from the Board to fill the vacancy. This slate will be elected by the Board.

(b) If the office of Chair becomes vacant, the Vice Chair will automatically succeed to Chair.

(c) If the office of the Past Chair becomes vacant, it will remain vacant until the Chair completes his/her term.

(d) In the absence of the Association CEO, the Treasurer will assume the duties of Secretary.

Section 6. Removal. An Officer who's employer is no longer a voting member in good standing of the Association shall be immediately removed and replaced by the Board. Any Officer may be removed from office at any time with or without cause by a two-thirds affirmative vote of the Board of Directors at any regular or special meeting at which a quorum of the Board is present, and in accordance with Association policies and procedures.

Section 7. Resignation. An Officer may resign in writing submitted to the Association Chair. A resignation will be effective when specified in the written resignation or, if no date is specified, on the acceptance date of the resignation as determined by the Chair. In the case of the resignation of the Association Chair, the resignation will be submitted to the Secretary who will refer such resignation to the Board.

Section 8. Duties of Officers.

(a) **Chair.** The Chair will preside over Association and Board meetings and supervise Association governance on behalf of the Board. The Chair will also perform other duties the Board assigns. The Chair will not serve as CEO supervisor or intermediary between the CEO

(b) **Vice Chair.** The Vice Chair will act under the Chair's direction, to assist in the Chair's performance of his/her duties. In the Chair's absence, the Vice Chair will preside. The Vice Chair will also perform other duties the Board assigns.

(c) **Secretary.** The Association CEO will serve as Secretary. The Secretary will assure accuracy of the Board, membership meeting minutes, and attendance records; submit meeting notices, prepare and distribute agendas, and distribute meeting minutes; and perform other duties assigned by the Board.

(d) **Treasurer.** The Treasurer will assure accuracy of Association financial records; serve as Chair of the Finance Committee; work with the CEO or his/her delegate to ensure timely financial reports are available to the Board; guide the CEO in preparing the annual budget; present the budget to the Board for approval; review the Association's annual audited financial statements with the Association auditor and Board, and; help the Board establish funding requirements and policies to meet strategic objectives. The Treasurer will also perform other duties the Board assigns. In the absence of the Secretary, the Treasurer will assume the Secretary's duties.

(e) **Past Chair.** The Past Chair will perform duties assigned by the Chair. The Past Chair will also perform other duties the Board assigns. In the Chair and Vice Chair's absence, the Past Chair will preside.

ARTICLE IX CHIEF EXECUTIVE OFFICER

Section 1. Appointment. The Board will enter into an employment contract with the Association's Chief Executive Officer (CEO). The CEO will report to the Board of Directors.

Section 2. Duties. The CEO's duties will be specifically outlined in the employment contract. These items include, but are not limited to:

- (a) Serve as Secretary of the Corporation (Secretary);
- (b) Manage the Association and implement Board policies;
- (c) Hire and dismiss Association employees, consultants, and contractors, except the independent CPA firm the Board retains to audit Association annual financial statements;
- (d) Develop and implement Association programs, products, and service;
- (e) Sign contracts, leases, checks, and other legal documents without Board approval, or delegate that authority, except as the Board specifies otherwise;
- (f) Transfer Association personal property, but not Association real property, without Board approval;
- (g) Attend and participate in all Board meetings (except those held in Executive Session); and

(h) Maintain membership data containing at a minimum the name and address of each member and each User Member Primary Representative.

ARTICLE X BYLAW AMENDMENTS

Section 1. Proposals. Proposed Bylaw amendments may be brought forth by the voting members, the Board, or the Governance Committee.

Section 2. Member & Committee Proposals. Proposals submitted by the voting members or the Governance Committee will be reviewed as follows:

- (a) Proposed Bylaw amendment(s) will be submitted to the Secretary.
- (b) The Secretary distributes the proposed amendment within ten days to the Board for its review and consideration.
- (c) If the Board determines that a proposed amendment warrants further consideration, it shall forward the proposed amendment to the Governance Committee for its review and recommendation.
- (d) The Governance Committee will review a proposed amendment within thirty days from its receipt thereof and make a recommendation to the Board. During this period, proposed amendments may be submitted to the Membership for comment at the discretion of the Governance Committee.
- (e) The Governance Committee will submit its recommendation to the Secretary, which shall include the original text, the proposed change or addition, and an explanation for the suggested change.
- (f) The Board shall hold a meeting to consider such proposal within 14 days from the date it receives the Governance Committee's recommendation.

Section 3. Board Proposals. Bylaw amendments proposed by the Board will be submitted to the Governance Committee for its review and recommendation prior to adoption by the Board. The Governance Committee shall review such Board proposals and submit its recommendation to the Board no later than fifteen (15) days from the date it receives such proposal. The Board shall then hold a meeting to vote on such proposed amendments at a time determined by the Board.

Section 4. Required Vote, Effective Date and Notice.

- (a) A two-thirds vote of the Directors present and voting at a duly called Board meeting at which a quorum is present is required for the Board to adopt any amendment to the Bylaws.
- (b) An amendment will be effective upon adoption by the Board unless a different effective date is specified as a proviso.
- (c) The Board will submit notice of all approved Bylaw amendments to the voting members within thirty days of adoption by the Board. Notification shall include the original text, the proposed change or addition, an explanation for the suggested change, and the Governance Committee recommendation.

ARTICLE XI INDEMNIFICATION

The Association shall indemnify all past and present Officers, Directors, employees, committee members, and all other Association volunteers to the full extent permitted by the Act, and shall be entitled to purchase insurance for such indemnification of Officers and Directors to the full extent as determined by the Board of Directors.

ARTICLE XII DISSOLUTION

Section 1. Approval. The Board may adopt a resolution recommending dissolution of the Association and directing that the question of dissolution be submitted to a vote at a regular or special meeting of the User Members. Written notice stating that the purpose of such meeting is to consider dissolving the Association must be given to each User Member in accordance with member meeting notice provisions in these Bylaws.

Section 2. Distribution of Assets. In the event of the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, dispose of all of the remaining assets of the Association (except any assets held by the Association upon condition requiring return, transfer or other conveyance in the event of dissolution, which assets shall be returned, transferred or conveyed in accordance with such requirements) exclusively for the purposes of the Association in such manner, or to such organization or organizations as shall at the time qualify as a tax-exempt organization or organizations recognized under Sections 501(c)(3) or 501(c)(6) of the Internal Revenue Code of 1986, as amended (the “Code”) or the corresponding provisions of any future United States Internal Revenue statute, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the court of general jurisdiction of the county in which the principal office of the Association is then located, exclusively for such purposes in such manner, or to such organization or organizations that are organized and operated exclusively for such purposes, as said court shall determine.

ARTICLE XIII FINANCIAL MATTERS

Section 1. Fiscal Year. Unless modified by the Board, the Association’s fiscal year will be the calendar year.

Section 2. Annual Budget. A budget showing anticipated revenue and expenses will be adopted annually by the Board.

Section 3. Accounting/Association. Accounting will conform to recommended practices of the American Institute of Certified Public Accountants. The Treasurer and/or CEO will provide comparative period financial reports to the Board at regular meetings or as the Board determines.

Section 4. Independent Audits. The Board will provide for an annual audit of the Association’s books and records by an independent auditor. Results of such audit will be reported by that auditor to the Board.

Section 5. Bonding. The Board and CEO will be furnished a fidelity bond for faithful performance of their duties, in such form and amount as the Board approves. The Board may also secure a bond for other Association employees.

ARTICLE XIV ADDITIONAL PROVISIONS

Section 1. Authorization to Act on Behalf of Association. Except as otherwise provided by the Board or the Chair, only the Chair or CEO may take official action, make a public statement, or otherwise hold himself or herself out to the public as authorized to act on behalf of the Association.

Section 2. Electronic Communications. Unless otherwise prohibited by law, (i) any action to be taken or notice delivered under these Bylaws may be taken or transmitted by electronic mail or other electronic means; and (ii) any action or approval required to be written or in writing may be transmitted or received by electronic mail or other electronic means.

Section 3. Severability. If a portion of these Bylaws is legally determined to be invalid, the remainder of these Bylaws will remain valid and the invalid provision may be replaced with a valid provision through the amendment procedure.

Section 4. Language. English will be the Association's official business language.

Section 5. Use of Association Intellectual Property. Members, Directors, and employees may not use the Association's name, trademarks, logos, symbols or other intellectual property, including property created for the Association by Association volunteers or employees, without the Association's prior written consent or specifically as permitted pursuant to applicable Association policies.

Section 6. Allied and Cooperative Relationships. The Board may promote cooperative relationships with other groups, institutions or entities that further Association objectives. The Board will approve policies and procedures to govern those relationships. The CEO will develop and implement Allied or Cooperative Agreements, and keep the Board informed.