

# NONPROFIT BYLAWS OF

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## ARTICLE 1. CORPORATE AUTHORITY

1.1 Incorporation. \_\_\_\_\_ (the "Nonprofit Corporation") is a duly organized nonprofit corporation authorized to do business in the State of \_\_\_\_\_ by the filing of the Articles of Incorporation on \_\_\_\_\_ [Date].

1.2 State Law. The Nonprofit Corporation is organized under the \_\_\_\_\_ [State] Statutes and except as otherwise provided herein, the Statutes shall apply to the governance of the Nonprofit Corporation. The laws, statutes, regulations and rules to which the Nonprofit Corporation is subject shall be referred to herein as "Applicable Nonprofit Law."

1.3 Nonprofit Purpose. This Nonprofit Corporation is organized and shall be operated exclusively for charitable, educational, religious, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

No part of the net earnings of the Nonprofit Corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the Nonprofit Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Bylaws.

The specific purposes of the Nonprofit Corporation include, but are not limited to:

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## ARTICLE 2. OFFICES AND RECORDS

2.1 Registered Office and Registered Agent. The principal office and the registered agent of the Nonprofit Corporation shall be as stated in the Articles of Incorporation of the Nonprofit Corporation, as amended from time to time by the Board of Directors (the "Board") and on file in the appropriate public offices of the State of \_\_\_\_\_ as provided by law.

2.2 Other Offices. The Nonprofit Corporation may also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors (the "Board") of the Nonprofit Corporation (also, the "Board"), and may also have offices at such other places, both within and without the State of \_\_\_\_\_, as the Board may from time to time determine or the business of the Nonprofit Corporation may require.

2.3 Books, Accounts and Records, and Inspection Rights. The books, accounts, and records of the Nonprofit Corporation, except as may be otherwise required by the laws of the State of \_\_\_\_\_, may be kept outside of the State of \_\_\_\_\_, at such place(s) as the Board may from time to time determine. Except as otherwise provided by law, the Board will determine

whether, to what extent, and the conditions upon which the books, accounts and records of the Nonprofit Corporation will be open to the inspection of the members of the Nonprofit Corporation.

2.4 Corporate Seal. The Board may, but shall not be required to, adopt a nonprofit seal. The nonprofit seal shall consist of a die bearing the name of the Nonprofit Corporation and the inscription, "Corporate Seal \_\_\_\_\_ [State]." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

### **ARTICLE 3. STOCKHOLDERS' MEETINGS**

3.1 Place of Meetings. Meetings of the members may be held at such place, either within or without the State of \_\_\_\_\_, as may be determined from time to time by the Board. The Board may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided by the Applicable Nonprofit Law.

3.2 Annual Meeting. The annual meeting of the members of the Nonprofit Corporation, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held on such date and at such time as may be designated from time to time by the Board. At an annual meeting of the members, only such business shall be conducted as shall have been properly brought before the meeting.

#### 3.3 Special Meetings.

(a) Special meetings of the members of the Nonprofit Corporation may be called, for any purpose or purposes, by (i) the Chairman of the Board, (ii) the Executive Director, (iii) the President, (iv) the Board pursuant to a resolution adopted by directors representing a quorum of the Board, or (v) by the holders of memberships representing at least \_\_\_\_\_ percent of the total memberships of the Nonprofit Corporation eligible to vote, and shall be held at such place, on such date, and at such time as the Board shall fix.

(b) If a special meeting is properly called by any person or persons other than the Board, the request shall be in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by certified or registered mail, return receipt requested, or by telegraphic or other facsimile transmission to the Chairman of the Board, the Executive Director, or the Secretary. No business may be transacted at such special meeting otherwise than specified in such notice.

3.4 Notice of Meetings. Whenever members are required or permitted to take any action at a meeting, a written notice (including by email) of the meeting shall be provided to each member of record entitled to vote at or entitled to notice of the meeting, which shall state the place, date, and hour of the meeting, as well as the purpose or purposes for which the meeting is called. Unless otherwise provided by law, written notice of any meeting shall be given not less than \_\_\_\_ days nor more than \_\_\_\_ days before the date of the meeting to each member entitled to vote at such meeting.

3.5 Quorum. Shareholders may take action on a matter at a meeting only if a quorum exists with respect to that matter. Except as otherwise provided by law, \_\_\_\_\_ percent of the outstanding memberships of the Nonprofit Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members. Once a share is represented for a purpose at a meeting (other than solely to object to the holding of the meeting), it is deemed present for quorum purposes for the remainder of the meeting and the members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of sufficient members to leave less than a quorum. The holders of a majority of the outstanding memberships represented at a meeting, whether or not a quorum is present, may adjourn the meeting from time to time.

### 3.6 Voting Rights.

(a) Each member entitled to vote at a meeting of members or to express consent or dissent to nonprofit action in writing without a meeting may authorize another person or persons to vote for him or her by proxy, but no such proxy shall be voted or acted upon after one (1) year from its date unless the proxy expressly provides for a longer period. A duly executed proxy shall be irrevocable only if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power.

(b) If a quorum exists, action on a matter (other than the election of directors) is approved if the votes cast favoring the action exceed the votes cast opposing the action. Directors shall be elected by a plurality of the votes cast by the memberships entitled to vote in the election (provided a quorum exists). Unless otherwise provided by law or in the Nonprofit Nonprofit Corporation's Articles of Incorporation, and subject to other provisions of these Bylaws, each member shall be entitled to one (1) vote on each matter, in person or by proxy, for each share of the Nonprofit Nonprofit Corporation's membership interest that has voting power and that is held by such member. Voting need not be by written ballot.

3.7 List of Stockholders. The officer of the Nonprofit Corporation who has charge of the membership interest ledger of the Nonprofit Corporation shall prepare and make, at least ten (10) days before any meeting of members, a complete list of the members entitled to vote at the meeting, arranged alphabetically, and showing the address of each member and the number of memberships held by each member. The list shall be open to the examination of any member for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days before the meeting, either at a place in the city where the meeting is to be held, which place must be specified in the notice of the meeting, or at a place in the city of the Nonprofit Nonprofit Corporation's registered office in \_\_\_\_\_ [State]. The list shall also be produced and kept available at the time and place of the meeting, for the entire duration of the meeting, and may be inspected by any member present at the meeting.

### 3.8 Consent in Lieu of a Meeting.

(a) Any action required to be taken or which may be taken at any meeting of members may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding memberships having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all members entitled to vote were present and voted. The action must be evidenced by one or more written consents, describing the action taken, signed and dated by the members entitled to take action without a meeting, and delivered to the Nonprofit Corporation at its registered office or to the officer having charge of the Nonprofit Corporation's minute book.

(b) No consent shall be effective to take the nonprofit action referred to in the consent unless the number of consents required to take action are delivered to the Nonprofit Corporation or to the officer having charge of its minute book within sixty (60) days of the delivery of the earliest-dated consent.

(c) Prompt notice of the taking of the nonprofit action without a meeting by less than unanimous written consent shall be given to those members who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of members to take action were delivered to the Nonprofit Corporation as provided in the Applicable Nonprofit Law.

3.9 Conference Call. One or more members may participate in a meeting of members by means of

conference telephone, videoconferencing, or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in this manner shall constitute presence in person at such meeting.

## **ARTICLE 4. DIRECTORS**

4.1 Powers. The business and affairs of the Nonprofit Corporation shall be managed by or under the direction of the Board of Directors (the "Board"), which may exercise all such powers of the Nonprofit Corporation and do all lawful acts and things, subject to any limitations set forth in these Bylaws or the Articles of Incorporation for the nonprofit corporation.

4.2 Number and Term of Office. The number of directors shall be set at \_\_\_\_\_. Each director shall be at least eighteen (18) years of age. The directors need not be residents of the state of the nonprofit corporation. The directors shall be elected by the members at the annual meeting of members by the vote of members holding of record in the aggregate at least a plurality of the memberships of membership interest of the Nonprofit Corporation present in person or by proxy and entitled to vote at the annual meeting of members. Each director shall be elected for a term until his or her successor shall be elected and shall qualify or until his or her earlier resignation or removal.

4.3 Vacancies. Except as otherwise provided by law, any vacancy in the Board of Directors (the "Board") occurring by reason of an increase in the authorized number of directors or by reason of the death, withdrawal, removal, disqualification, inability to act, or resignation of an acting director shall be filled by the majority of directors then in office and notice of a member meeting shall be provided to the members for the purpose of electing a director to permanently fill such vacancy. Any director may resign at any time by giving written notice to the Board or the Secretary.

4.4 Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board. If no such specification is made, it shall be deemed effective at the pleasure of the Board.

4.5 Removal. Subject to any limitations imposed by Applicable Nonprofit Law, any director may be removed from office at any time (i) with cause by the affirmative vote of the holders of \_\_\_\_\_ percent of the voting power of all then-outstanding memberships of membership interest of the Nonprofit Corporation entitled to vote.

4.6 Meetings. Meetings of the Board of Directors (the "Board") may be called by any director or the President on five (5) days' notice to each director, either personally or by telephone, express delivery service, email, or facsimile transmission, and on ten (10) days' notice by mail (effective upon deposit of such notice in the mail). The notice shall specify the purpose of such meeting.

4.7 Quorum and Voting. \_\_\_\_\_ percent of the total number of authorized directors shall constitute a quorum for transaction of business. The act of a majority of directors present at any meeting at which a quorum is present shall be the act of the Board of Directors (the "Board"), except as provided by law, the Articles of Incorporation, or these Bylaws. Each director present shall have one vote, irrespective of the number of memberships of membership interest, if any, he or she may hold.

4.8 Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors (the "Board") or of any committee thereof may be taken without a meeting of all members of the Board or committee, as the case may be, with the written consent of a quorum of the Directors, such writing or writings to be filed with the minutes or proceedings of the Board or committee.

4.9 Fees and Compensation. Directors shall be entitled to such compensation for their services as may

be approved by the Board, including, if so approved, by resolution of the Board, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board and at any meeting of a committee of the Board. Nothing herein contained shall be construed to preclude any director from serving the Nonprofit Corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

4.10 Conference Call. One or more directors may participate in meetings of the Board or a committee of the Board by any communication, including videoconference, by means of which all participating directors can simultaneously hear each other during the meeting. Participation in this manner shall constitute presence in person at such meeting.

4.11 Committees. The Board of Directors (the "Board"), by resolution, may create one or more committees, each consisting of one or more directors. Each such committee shall serve at the pleasure of the Board. All provisions under the Statutes and these Bylaws relating to meetings, action without meetings, notice, and waiver of notice, quorum, and voting requirements of the Board of Directors (the "Board") shall apply to such committees and their members.

No such committee shall have the authority to take any action prohibited to committees under Applicable Nonprofit Law, including, but not limited to, amending the Articles of Incorporation or these Bylaws, electing or removing officers or directors, adopting a plan of merger or dissolution, or authorizing the sale, lease, or exchange of all or substantially all of the Nonprofit Corporation's assets, unless such authority is expressly permitted by law and delegated by the Board.

4.12 Organization. At every meeting of the Board, the Chairman of the Board, or, if a Chairman has not been appointed or is absent, the President (if a director) shall preside over the meeting. The Secretary shall act as secretary of the meeting.

## **ARTICLE 5. OFFICERS**

5.1 Officers. The officers of the Nonprofit Corporation shall include the following: (a) the Executive Director and/or the President; (b) the Secretary and (c) the Treasurer (Chief Financial Officer). The Board may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the Nonprofit Corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the Nonprofit Corporation shall be fixed by or in the manner designated by the Board.

### **5.2 Tenure and Duties of Officers.**

(a) Subject to any employment contracts that may be in place, all officers shall hold office at the pleasure of the Board and until their successors shall have been duly elected and qualified, unless sooner removed.

(b) The Executive Director and/or the President shall have overall responsibility and authority for management and operations of the Nonprofit Corporation, shall preside at all meetings of the Board of Directors (the "Board") and members, and shall ensure that all orders and resolutions of the Board of Directors (the "Board") and members are implemented. The President shall have the authority to create any entity, either as a wholly-owned subsidiary or with owners additional to the Nonprofit Corporation, as the President may deem appropriate to accomplish any legitimate objective of the Nonprofit Corporation. The President shall be an ex-officio member of all committees and shall have the general powers and duties of management and supervision usually vested in the office of president of a nonprofit corporation.

(c) The Secretary shall attend all meetings of the Board and all meetings of the members and shall act

as clerk thereof, and record all the votes of the Nonprofit Corporation and the minutes of all its transactions in a book to be kept for that purpose, and shall perform like duties for all committees of the Board of Directors (the "Board") when required. The Secretary shall give, or cause to be given, notice of all meetings of the members and special meetings of the Board of Directors (the "Board"), and shall perform such other duties as may be prescribed by the Board of Directors (the "Board") or President, and under whose supervision the Secretary shall be. The Secretary shall maintain the records, minutes, and seal of the Nonprofit Corporation and may attest any instruments signed by any other officer of the Nonprofit Corporation.

(d) The Treasurer (Chief Financial Officer) shall be the chief financial officer of the Nonprofit Corporation, shall have responsibility for the custody of the nonprofit funds and securities, shall keep full and accurate records and accounts of receipts and disbursements in books belonging to the Nonprofit Corporation, and shall keep the monies of the Nonprofit Corporation in a separate account in the name of the Nonprofit Corporation. The Treasurer (Chief Financial Officer) shall provide to the President and directors, at the regular meetings of the Board, or whenever requested by the Board, an account of all financial transactions and of the financial condition of the Nonprofit Corporation.

5.3 Execution of Instruments. All contracts, checks, drafts or demands for money and notes and other instruments or rights of any nature of the Nonprofit Corporation shall be signed by the President and/or such other officer or officers as the Board of Directors (the "Board") may from time to time designate.

## **ARTICLE 6. SHARES OF STOCK**

6.1 Stock Certificates. The memberships of the Nonprofit Corporation may, but need not, be represented by membership certificates, at the discretion of the Board of Directors (the "Board"). The membership interest Nonprofit Bylaws of the Nonprofit Corporation, if any, shall be numbered and registered in the share ledger and transfer books of the Nonprofit Corporation as they are issued. In the absence of Nonprofit Bylaws, the share ownership in the Nonprofit Corporation shall be registered in the share ledger and transfer books of the Nonprofit Corporation.

6.2 Lost Certificates. A new Nonprofit Bylaws or Nonprofit Bylaws may be issued in place of any Nonprofit Bylaws or Nonprofit Bylaws theretofore issued by the Nonprofit Corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the Nonprofit Bylaws of membership interest to be lost, stolen, or destroyed.

6.3 Transfer. Transfers of memberships shall be made on the books of the Nonprofit Corporation upon surrender and cancellation of the Nonprofit Bylaws, therefore, if any, endorsed by the person named in the Nonprofit Bylaws or by his or her legal representative. No transfer shall be made that is inconsistent with any provision of law, the Articles of Incorporation for the Nonprofit Corporation, these Bylaws, or, if one exists, a Shareholder Agreement or other agreement that restricts transfers of the Nonprofit Corporation's membership interest.

6.4 Fixing Record Dates. In order that the Nonprofit Corporation may determine the members entitled to notice of or to vote at any meeting of members or any adjournment thereof, the Board may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, subject to Applicable Nonprofit Law, not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the Board, the record date for determining members entitled to notice of or to vote at a meeting of members shall be at the close of business on the day immediately preceding the day on which notice is given, or if notice is waived, at the close of business on the day immediately preceding the day on which the meeting is held. A determination of members of record entitled to notice of or to vote at a meeting of members shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

## **ARTICLE 7. DIVIDENDS**

Upon the dissolution of the Nonprofit Corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Nonprofit Corporation is then located, exclusively for such purposes.

7.1 Declaration of Dividends. Dividends upon the membership interest of the Nonprofit Corporation, subject to the provisions of the Certificate and Applicable Nonprofit Law, if any, may be declared by the Board. Dividends may be paid in cash, in property, or in memberships of the membership interest, subject to the provisions of the Certificate and Applicable Nonprofit Law.

7.2 Dividend Reserve. There may be set aside out of any funds of the Nonprofit Corporation available for distributions (if any, per nonprofit rules) such sum or sums as the Board from time to time, in their absolute discretion, think proper as a reserve or reserves for any purpose as the Board determines is in the interests of the Nonprofit Corporation.

## **ARTICLE 8. FISCAL YEAR**

8.1 Fiscal Year. The fiscal year of the Nonprofit Corporation shall be the calendar year.

## **ARTICLE 9. INDEMNIFICATION AND INSURANCE**

### 9.1 Indemnification.

(a) The Nonprofit Corporation shall have the power, to the fullest extent permitted by applicable state law, to indemnify its directors, officers, employees, and other agents. The Board shall have the power to delegate the determination of whether indemnification shall be given to any such person (except executive officers) to such officers or other persons as the Board shall determine.

(b) The Nonprofit Corporation may, to the fullest extent permitted by applicable state law, purchase and maintain insurance in a reasonable amount on behalf of any person who is or was a director, officer, agent or employee of the Nonprofit Corporation against liability asserted against or incurred by such person in such capacity or arising from such person's status as such. Additionally, the Nonprofit Corporation may purchase life insurance on the life of any member which may, in the discretion of the Nonprofit Corporation or subject to any agreement entered into with such member or his/her estate, be used in connection with the repurchase of such member's memberships upon his/her death.

## **ARTICLE 10. NOTICES**

### 10.1 Notices.

(a) Whenever written notice is required to be given to any person, it may be given to such person, either personally or by sending a copy thereof through the United States mail, or by email, or facsimile, charges prepaid, to his or her address appearing in the books of the Nonprofit Corporation, or supplied by him or her to the Nonprofit Corporation for the purpose of notice. If the notice is sent by mail it shall

be deemed to have been given to the person entitled thereto when deposited in the United States mail. If the notice is sent by email or facsimile, it shall be deemed to have been given at the date and time shown on a written confirmation of the transmission of such facsimile communication. If such notice is related to a member meeting, the notice shall specify the place, day, time of the meeting and the purpose of and general nature of the business to be transacted at such meeting.

(b) Whenever any written notice is required by law, or by the Articles of Incorporation or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a person, either in person or by proxy, at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully convened or called.

## **ARTICLE 11. AMENDMENTS**

11.1 Amendments. The Board is expressly empowered to adopt, amend, or repeal these Bylaws (or any provision hereof). The members shall also have power to adopt, amend, or repeal these Bylaws (or any provision hereof).

## **ARTICLE 12. MISCELLANEOUS**

12.1 Annual Report. The Board shall cause an annual report to be sent to each member of the Nonprofit Corporation not later than \_\_\_\_\_ days after the close of the Nonprofit Corporation's fiscal year. Such report shall include a balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year, accompanied by any report thereon of independent accountants or, if there is no such report, the Nonprofit Bylaws of an authorized officer of the Nonprofit Corporation that such statements were prepared without audit from the books and records of the Nonprofit Corporation.

12.2 Forum. Unless the Nonprofit Corporation consents in writing to the selection of an alternative forum, the courts of the State of \_\_\_\_\_ shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Nonprofit Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Nonprofit Corporation to the Nonprofit Corporation or the Nonprofit Nonprofit Corporation's members, (c) any action asserting a claim against the Nonprofit Corporation or any director or officer or other employee of the Nonprofit Corporation arising pursuant to any provision of the Applicable Nonprofit Law, the Certificate, or these Bylaws, or (d) any action asserting a claim against the Nonprofit Corporation or any director or officer or other employee of the Nonprofit Corporation governed by the internal affairs doctrine.

12.3 Interpretation. In interpreting these Bylaws, except where the context otherwise requires, (a) "including" or "include" does not denote or imply any limitation, (b) "or" has the inclusive meaning "and/or," (c) the singular includes the plural, and vice versa, and each gender includes each other gender, (d) captions or headings are only for reference and are not to be considered in interpreting these Bylaws, (e) "Section" refers to a section of these Bylaws, unless otherwise stated in these Bylaws, and (f) "day" refers to a calendar day unless expressly identified as a business day.

## **ARTICLE 13. CONFLICT OF INTEREST POLICY**

13.1 Purpose. The purpose of this conflict of interest policy is to protect the interests of the Corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or key employee of the Corporation or might result in a possible excess benefit



transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### 13.2 Definitions.

(a) Interested Person: Any director, principal officer, or member of a committee with board-delegated powers who has a direct or indirect financial interest, as defined below.

(b) Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict exists.
- An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.
- A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict exists.

Section 13.2 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and all material facts to the board or appropriate committee.

Section 13.4. Determining Whether a Conflict Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide whether a conflict of interest exists.

Section 13.5. Procedures for Addressing the Conflict of Interest. The board shall determine by majority vote whether the transaction or arrangement is in the best interest of the Corporation and whether it is fair and reasonable. If appropriate, the board may appoint a disinterested person or committee to investigate alternatives. After exercising due diligence, the board shall decide whether to approve the transaction or arrangement.

Section 13.6. Violations of the Conflict of Interest Policy. If the board or committee has reasonable cause to believe a person has failed to disclose an actual or possible conflict of interest, it shall inform the person and give them an opportunity to explain. If the person's explanation is inadequate, appropriate disciplinary or corrective action may be taken.

Section 13.7. Annual Statements. Each director, officer, and key employee shall annually sign a statement affirming that:

- They have received a copy of this conflict of interest policy,
- They have read and understand it,
- They agree to comply with it, and
- The Corporation operates for charitable purposes and will not engage in activities inconsistent with those purposes.

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### CERTIFICATE

The undersigned \_\_\_\_\_ [Title] of \_\_\_\_\_ [Nonprofit Corporation name], a \_\_\_\_\_ [State] nonprofit corporation, hereby certifies that the

foregoing Bylaws are the original Bylaws of the Nonprofit Corporation adopted by the initial director of the Nonprofit Corporation.

Dated: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_