



Sleep
Research
Society®

Sleep Research Society Bylaws

ARTICLE 1

NAME

The name of the corporation is the Sleep Research Society, (hereinafter called the “Corporation” or “SRS”).

ARTICLE 2

PURPOSE AND GOALS

2.1 *The Corporation* is organized and operated exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or a corresponding provision of any future United States Internal Revenue law), referred to below as the “Code”, and more specifically:

2.1.1 *To foster* research in all areas of sleep. For the purpose of this document, the term sleep research includes both sleep and circadian rhythms related research.

2.1.2 *To provide* a forum for the exchange of information pertaining to sleep research, including holding an annual scientific meeting.

2.1.3 *To promote* education and training in sleep research.

2.1.4 *To establish* and maintain standards of reporting and classifying data in the field of sleep research.

2.1.5 *To exercise* all the powers conferred upon corporations formed under the Minnesota Nonprofit Corporation Act in order to accomplish the Corporation’s purposes, including, but not limited to, the power to accept donations of money or property, whether real or personal, or any interest therein, wherever situated.

ARTICLE 3

FUNDS, DUES, AND ACTIVITIES

Funds of the Corporation shall consist of monies raised by annual dues levied on the members, voluntary contributions to the SRS, and income from any other source approved by the Board of Directors. No part of the net earnings of the Corporation shall

inure to the benefit of any private shareholder or individual. Except as permitted by filing an election under Section 501(h) of the Internal Revenue Code, (or the corresponding provision of any subsequent Federal tax law) no substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or the opposition to any candidate for public office. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any activity not permitted to be carried on (a) by a Corporation exempt from Federal income tax under Section 501 (c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any subsequent Federal tax law), and (b) by a Corporation to which contributions are deductible under Section 170 of the Internal Revenue Code of 1986 (or the corresponding provision of any subsequent Federal tax law).

ARTICLE 4
REGULATION OF INTERNAL AFFAIRS

The Corporation shall seek such sources of support, including the solicitation of grants from governmental units and direct or indirect contributions from the general public, as will enable it to qualify as a publicly supported organization as defined in Section 170(b)(1)(A)(vi) and 5099(a)(1) of the Internal Revenue Code of 1986 (or the corresponding provision of any subsequent Federal tax law).

ARTICLE 5
REGISTERED OFFICE

The registered office of the Corporation required by the Minnesota Nonprofit Corporation Act to be maintained in the State of Minnesota is as provided and designated in the Articles of Incorporation. The Board of Directors of the Corporation may, from time to time, change the location of the registered office pursuant to Section 317A.123 of Minnesota Statutes, or any successor provision thereof, by filing a statement of such change with the Secretary of State of Minnesota.

ARTICLE 6
MEMBERS

6.1 *The Corporation* shall be composed of diverse classes of members as determined by the Board of Directors: Current membership includes: full members, emeritus members, trainee members, and associate members.

6.1.1 *Full Members* shall be members from any country who are qualified according to the following standards. All full members shall hold doctoral degrees and shall have published sleep-related research and shall be actively engaged in sleep research at the time of joining the SRS. Full members pay annual dues set by the Board of Directors. Full members have full voting privileges.

6.1.2 *Emeritus Members* shall be members who have been Full members for at least ten years and, are retired professionally or have obtained Emeritus status at an academic or research institution, inform the Secretary-Treasurer that they wish to change their membership status to “Emeritus.” Emeritus members will pay lower membership dues than Full members as set by the Board of Directors. Emeritus members have full voting privileges.

6.1.3 *Trainee Members* shall include individuals who are enrolled in a college or university pursuing an undergraduate or graduate degree, on at least a half-time basis in a program of study with a sleep research related component; or an individual who earned their undergraduate degree within the last two years and is working in a sleep research laboratory prior to pursuing advanced degrees; or an individual who holds a doctoral degree and is enrolled in an advanced training program related to sleep research or sleep medicine, such as medical residency or clinical or research fellowship, or other program deemed acceptable by the Board of Directors, where the individual is in training and does not hold a full-time academic faculty or other independent position as a research scientist. Trainee members will pay lower membership dues than Full Members. Such dues shall be set by the Board of Directors. Trainee members do not have voting privileges.

6.1.4 *Associate Members* shall be members professionally engaged in sleep research, but who do not hold a doctoral degree. Associate members are not eligible for another membership category. Associate member dues will be determined by the Board of Directors. Associate members do not have voting privileges.

6.2 *Procedures for Membership.* Those who desire to become a member of the SRS must submit an official application to the national office. All membership applications shall be reviewed by the Corporation. The Corporation shall evaluate and approve membership applications pursuant to the qualifications and requirements for membership. Membership shall be effective upon approval.

6.3 *Annual Business Meeting of Members.* There shall be at least one annual business meeting of the SRS held during the annual meeting of the Corporation. Additional meetings of the membership may be held if the Board of Directors so decides. Actions taken by members at the annual meeting shall be effective only if a quorum consisting of not less than fifteen percent (15%) of the voting members of the SRS are present and voting.

6.4 *Special Meeting of Members.* Upon the written request of fifteen percent (15%) of the voting members, or by majority vote of the Board of Directors, the Board of Directors shall call a special meeting of members to consider a specific subject. Notice of any special meeting shall be given to the members, twenty days prior to the meeting, by mail and/or electronic means. No business other than that specified in the notice of meeting shall be transacted at any special meeting of the members of the SRS.

6.5 *Termination of Membership.* Membership ceases upon two months' delinquency in payment of annual dues. Prior to such removal, the Corporation shall make reasonable efforts to contact the non-participating member to encourage renewed participation and to determine the reason for non-participation.

The Corporation may terminate the membership of any member who becomes ineligible for membership,

6.6 *Resignation.* Any member may resign by filing a written resignation with the Corporation's Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

6.7 *Reinstatement.* Members who have resigned or been terminated for non-payment of dues may only be reinstated (i) if no more than twelve (12) months has elapsed since the date of termination; and (ii) upon payment of delinquent dues; and (iii) in accordance with such rules as may be established by the Board of Directors. Former members not meeting the requirements for reinstatement must reapply for membership.

ARTICLE 7 BOARD OF DIRECTORS

7.1 *The Board of Directors Composition,* The Board of Directors shall consist of the President, President-Elect or Immediate Past-President, Secretary-Treasurer, and eight Directors at Large elected by the eligible voting members of the SRS.

7.2 *The Affairs of the Corporation* will be managed by its Board of Directors. The Board of Directors shall have and exercise all powers necessary to set fiscal and administrative policy of the SRS.

7.2.1 No contract, debt, or obligation shall be binding unless contracted under the direction of the Board of Directors. The Board of Directors may hold or dispose of such property real or personal as may be given, devised or bequeathed to it or entrusted in its care and keeping. The Board may purchase, acquire and dispose of such property as may be necessary. The Board shall have the control and management of the property of the SRS with the power to borrow money for corporate purposes.

7.2.2 The Board of Directors shall have the power to enter into contracts, leases and cooperative relationships with other organizations when in their judgment such a relationship is desirable toward achieving the objectives of the SRS. The Board of Directors shall, should it deem necessary, employ an Executive Director, define their duties and fix compensation. The Board may, should it deem necessary, engage the

services of a management company to manage the day-to-day affairs of the SRS under the supervision of the President and the Board of Directors.

7.2.3 The Board of Directors shall meet at least quarterly. The President may call additional meetings at their discretion or as deemed necessary to fulfill the obligations of the Board. Further, the Board of Directors, and between meetings of the Board of Directors, the Executive Committee, shall exercise all corporate powers, except as otherwise expressly required by the Articles of Incorporation, these Bylaws, or by law.

7.2.4 Any officer or director who fails to attend two, unexcused, consecutive meetings of the Board will be considered to have resigned from the board.

7.2.5 *Manner of Acting.* The act of a majority of the directors present and voting at a duly convened meeting shall be the act of SRS unless the act of a greater number is required by statute, these Bylaws, or the Articles of Incorporation. Directors may not vote by proxy or under any other power of attorney.

7.2.6 *Action without a meeting.* Any action which may be taken at a meeting of the Board of Directors or a committee thereof, may be taken without a meeting if a consent in writing setting forth the action so taken shall be approved in writing by all of the directors or all of the members of such committee entitled to vote with respect to the subject matter thereof, as the case may be. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and provides a written record of approval. Consent provided by reply email from a director's email address shall be sufficient to constitute written consent. All the approvals evidencing the consent shall be delivered to SRS' Secretary/Treasurer to be filed in the Society's records. The action taken shall be effective when all the directors or the committee members, as the case may be, have approved the consent unless the consent specifies a different effective date.

7.3 *The Terms of Office.*

7.3.1 The Term for the President shall be two years, commencing at the end of the annual meeting of the Corporation.

7.3.2 The Term for the President-Elect shall be one-year, commencing at the end of the annual meeting of the Corporation. The President-Elect shall be elected bi-annually by mail ballot or by secure electronic ballot by the eligible voting membership. After serving one year in this capacity, the President-Elect will automatically become President for the succeeding two years. The person elected to the office of President-Elect shall not serve as SRS President for more than one consecutive term.

7.3.3 The Term for the Immediate Past-President shall be one-year, commencing at the end of the annual meeting of the Corporation. The President will automatically become Immediate Past-President following the two-year term as President.

7.3.4 The Term of office for the Secretary-Treasurer shall be a three-year term, which commences at the end of the annual meeting of the Corporation following their election by mail ballot or secure electronic ballot by the eligible voting membership. The Secretary-Treasurer shall hold office until his successor has been duly elected and shall have qualified.

7.3.5 The Term of office for the eight Directors at Large shall be a three-year term, which commences at the annual meeting of the Corporation following their election by mail ballot or secure electronic ballot by the eligible voting membership. Each such director shall hold office until his successor has been duly elected and shall have qualified.

7.3.6 No more than four terms of the Board of Directors shall expire in any given year. The Board of Directors shall be free to adjust terms of officers to satisfy this latter requirement provided the adjustment is not for more than one year and not more than once for any one Board member's term of office.

7.3.7 A Director at Large, other than a presidential officer, elected by the eligible voting membership shall be eligible to serve two three-year terms.

7.3.8 Directors at Large elected to serve an unexpired term shall serve the unexpired portion of the term. Service of two or more years of an unexpired term shall be considered a full term.

7.4 *Vacancies* shall be filled in the following manner.

7.4.1 A vacancy in the office of President during the first year of the two-year term shall be filled by the Immediate Past President. A special election will be called where the eligible voting membership will elect someone to the President-Elect office. The President-Elect shall fill the presidential term commencing at the end of the annual meeting of the Corporation. The most recent President will commence a one year term as Immediate Past President following the installation of President-Elect as President.

A vacancy in the office of President during the second year of the two-year term shall be filled by the President-Elect who shall complete the unexpired term as well as the presidential term for which elected. The President-Elect office shall be filled at the discretion of the Board of Directors until the end of the annual meeting of the Corporation.

7.4.2 In the event of a vacancy in the office of the Immediate Past President, the Board of Directors shall appoint a Past President to fill the vacancy until the expiration of the current President's term.

7.4.3 In the event of a vacancy in the office of the Secretary-Treasurer the Board of Directors shall appoint a Board member to fill the vacancy until the next annual election at which time a Secretary-Treasurer shall be elected to fill the unexpired term. Until the Board of Directors can convene to fill such vacancy, the President shall assume the duties of the Secretary-Treasurer in addition to their other responsibilities. If the Secretary-Treasurer vacancy occurs prior to December 31, the Board, at its discretion, may fill the newly vacant Board position until the next election. If such vacancy occurs after December 31, the eligible voting membership will elect someone to the vacancy for the unexpired term at the next regularly scheduled election.

7.4.4 The Board shall have the power to fill the unexpired term of any member of the Board between annual elections. Vacancies in the eight Director at Large positions shall be filled at the discretion of the Board of Directors if such vacancy occurs prior to December 31. At the next regularly scheduled election after such vacancy, the eligible voting membership shall elect a Director to fill the unexpired term. If such vacancy occurs after December 31, the position shall remain vacant until the next regularly scheduled election, at which time the eligible voting membership will elect someone to fill the unexpired term.

7.5 *Quorum.* A majority of the directors then in office shall constitute a quorum for the transaction of the business at any meeting of the Board of Directors, provided that if fewer than half of the directors are present at the said meeting, a majority of the directors present may adjourn the meeting to another time without further notice.

7.6 *Duties of officers.*

7.6.1 *The President* shall be the principle elected officer and chief spokesperson of the SRS. No statement shall be made by the President or designated alternate that advocates a group boycott by members or violation of federal or state antitrust or any other laws. The President shall be chairperson of the Board of Directors, Executive Committee, and member ex-officio of all committees of the SRS. The President shall preside at the annual meeting of the SRS. In addition, the President shall perform such duties as may be prescribed by the Board of Directors from time to time. The President shall neither encumber the SRS with indebtedness nor assume any financial obligation in the name of the SRS without prior authorization of the Board of Directors. The President shall, upon expiration of one term as President, serve on the Board of Directors for one year as Immediate Past-President.

7.6.2 *The President-Elect* shall be elected bi-annually by the eligible voting membership by mail ballot or secure electronic ballot. The duties of the President-Elect shall be designated by the Board of Directors. The President-Elect shall be a member of the Board of Directors and the Executive Committee. The President Elect shall perform the duties of the President in the absence of the President as stated in 7.4.1. The President-Elect, when so

acting, shall have the powers of and be subject to all the restrictions placed upon the President. Upon expiration of the term of office of the President, the President-Elect shall assume the presidency of the Corporation.

7.6.3 *The Immediate Past President* shall commence office upon expiration of the term of office of the President. The duties of the Immediate Past President shall be designated by the Board of Directors. The Immediate Past President shall be a member of the Board of Directors and the Executive Committee. The Immediate Past President shall perform the duties of the President in the absence of the President as stated in 7.4.1. The Immediate Past President, when so acting, shall have the powers of and be subject to all the restrictions placed upon the President.

7.6.4 *The Secretary-Treasurer*. In addition to the rights and duties ordinarily placed on the Secretary-Treasurer of a corporation by law, custom or parliamentary usage, and those granted and imposed in other provisions of these bylaws, the Secretary-Treasurer shall be the official custodian of all records and all securities and the income therefrom owned by the corporation, subject to the direction and disposition of the Board of Directors. The Secretary-Treasurer shall chair the Budget Committee. The Board of Directors may select a bank or trust company to act as custodian in place of the Secretary-Treasurer of all or any part of such securities and to act as agent of the corporation in collecting the income therefrom. The Secretary-Treasurer shall perform other duties as may be directed by the Board of Directors.

7.7 *The Trainee Member at Large* shall be appointed by the Board of Directors for a one-year term and shall not be eligible for reappointment. The Trainee Member at Large shall have primary responsibility for representing the interests of the Trainee members of the Corporation on the Board of Directors. The Trainee Member at Large is a non-voting member of the Board of Directors.

ARTICLE 8 EXECUTIVE COMMITTEE

8.1 *Executive Committee Composition, Terms, and Duties.*

8.1.1 *The Executive Committee* shall be made up of the following positions of the Board of Directors – President, President-Elect or Immediate Past-President, Secretary- Treasurer, and one Director at Large. The Director shall be appointed to the Executive Committee by the Board of Directors.

8.1.2 *The Term of Office* for the Executive Committee shall commence at the end of the annual meeting of the SRS following the election until the successor has been elected and qualifies. The terms of the President, President-Elect, Immediate Past-President and Secretary-Treasurer on the Executive Committee shall coincide with their elected terms. The term of the Director at Large on the Executive Committee shall be a one-year term.

8.1.3 *Quorum* - Three members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting of the Committee.

8.1.4 *Meetings of the Executive Committee* shall occur at least once a year or as often as deemed necessary to provide executive leadership and to debate issues of importance so as to provide advice and proposed actions to the Board of Directors. The Executive Committee shall be empowered to make all decisions ordinarily made by and authorized by the Board of Directors when action needs to be taken between Board of Directors meetings. All actions taken by the Executive Committee shall be reported and acted upon by the Board of Directors at its next scheduled meeting.

ARTICLE 9 EXECUTIVE DIRECTOR

If an Executive Director is hired, he or she shall be an officer and shall supervise and be principally responsible for the day-to-day administrative management of the Corporation. The Executive Director shall work closely with the President to ensure that all corporate functions are adequately carried out. The duties and responsibilities of the Executive Director shall include:

- a) carrying out all policies established by the Board;
- b) selecting, employing, training, controlling and discharging all other employees of the Corporation;
- c) attending all meetings of the Board and committees of the Board;
- d) preparing and presenting to the Board regular reports reflecting accomplishment of corporate goals and the Corporation's mission; and
- e) any other duties and responsibilities as may be assigned to him or her by the President or by the Board.

ARTICLE 10 COMMITTEES

10.1 There shall be three types of Committees: Standing Committees, Board Committees, and Presidential Committees.

10.1.1 Standing Committees shall be appointed by the Board to perform continuing functions and service.

10.1.2 The Board shall appoint such other committees as necessary to address issues of interest to the membership and to fulfill Society functions. Committees shall be appointed to address such issues as research, education and membership. The name, composition and mandate of such committees shall be at the discretion of the Board.

10.1.3 The President may appoint Presidential committees to address issues of interest to the president. The mandate of such committees may not duplicate the mandate of standing or Board committees. These groups report directly to the President and are disbanded at the conclusion of the President's term in office.

10.1.4 Subcommittees may be appointed by the Board or the Chair of a standing committee. Should a committee chair determine the need for a subcommittee, it must consist only of members of the full committee. The Board may appoint subcommittees and at its discretion it may include some members not currently members of the committee. Such appointments should be limited to those members with special expertise in the subject area that the committee is addressing.

10.1.5 Committee membership is restricted to members of the SRS except when the purpose of the SRS requires the addition of knowledgeable individuals from other fields. Non-SRS members will not be voting members of the committee. The President shall be an ex officio member of each committee. The principle staff person responsible for administering the day-to-day affairs of the SRS shall also be an ex officio member of all committees.

10.1.6 No member of a committee shall serve more than three consecutive one-year terms on the same committee, but an individual may serve three additional years if made a chairman or vice chairman.

10.1.7 Committees shall submit timely reports of their activities, findings, recommendations and progress to the Board of Directors.

10.1.8 Joint Committees may be established with other community, governmental or scientific organizations.

10.1.9 The Board of Directors shall have the right to dissolve the committee, enlarge the committee, appoint consultants or advisors, remove any member, and fill any vacancy.

ARTICLE 11 CORPORATE LIMITATIONS

11.1 *Distributions.* The Corporation, being organized exclusively for scientific, charitable, and educational purposes, may make distributions to organizations and individuals in furtherance of its corporate purposes and in accordance with Section 501(c)(3) of the Code.

11.2 *Prohibition Against Private Benefit and Inurement.* No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its directors, officers, or other private persons, except that the 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 Section 3 above.

11.3 *Political Activity.* No substantial part of the activities of the Corporation shall be to attempt to influence legislation by propaganda or otherwise, and the Foundation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

11.4 *Other Prohibitions.* The Corporation shall not carry on any other activities not permitted to be carried on:

- a) under the Act or other applicable law;
- b) by a Foundation exempt from federal income tax under Section 501(c)(3) of the Code; or
- c) by a Foundation, contributions to which are deductible under Section 170(c)(2) of the Code.

11.5 *Dissolution.* Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Foundation, exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for scientific, charitable, or educational purposes, as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the appropriate court of law of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for exempt purposes.

ARTICLE 12 CONTRACTS, BANKING, AND GIFTS

12.1 *Contracts and Other Documents* - The Board of Directors, except as otherwise required by law, the Articles of Incorporation, or these Bylaws, may authorize any officer or officers, agent or agent of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument or document in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

12.2 *Checks, Drafts, and Loans* - All checks, drafts, loans, or other orders for the payment of money, notes or other evidence of indebtedness shall be issued in the name of the Corporation in such manner as shall be from time to time determined by the Board of Directors. In the absence of such determination, such instruments shall be signed by the Secretary-Treasurer.

12.3 *Deposits* - All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may from time to time select.

12.4 *Gifts* - The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purpose or for any special purpose of the Corporation.

ARTICLE 13 BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors, Executive Committee, and committees having any authority of the Board of Directors, and shall keep at its principle office a record giving the names and addresses of the Board of Directors. All books and records of the Corporation may be inspected by any Director, or his agent or attorney, for any proper purpose at any reasonable time.

ARTICLE 14 FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each calendar year.

ARTICLE 15 INDEMNIFICATION

15.1 *General Provisions.*

15.1.1 *Definitions.*

A. For purposes of this section, the terms defined in this subsection 15.1.1 have the means given them.

B. "Corporation" means the Sleep Research Society, a Minnesota Corporation, the Association for the Psychophysiological Study of Sleep, a New Mexico corporation, and any domestic or foreign Corporation that was the predecessor of this Corporation in a merger, a consolidation, or other transaction in which the predecessor's existence ceased upon completion of the transaction.

C. "Official capacity" means (1) with respect to a director, the position of director in the Corporation, (2) with respect to a person other than a director, the elective or appointive office or position held by an officer, member of a committee of the board, or the employment or agency relationship undertaken by an employee or agent of the Corporation, and (3) with respect to a director, officer, or employee, or agent of the Corporation who, while a director, officer, employee, or agent of the Corporation, is or was serving at the request of the Corporation or whose duties in that position involve or

involved service as a director, officer, partner, trustee, employee or agent of another organization or employee benefit plan, the position of that person as a director, officer, partner, trustee, employee, or agent, as the case may be, of the other organization or employee benefit plan.

D. "Proceeding" means a threatened, pending, or completed civil, criminal, administrative, arbitration, or investigative proceeding, including a proceeding by or in the right of the Corporation.

E. "Special legal counsel" means counsel who has not represented the Corporation or a related organization, or a director, officer, member of a committee of the board, or employee, or agent whose indemnification is in issue.

15.1.2 *Indemnification Mandatory; Standard.*

A. Subject to the provisions of 15.1.4, the Corporation shall indemnify a person made or threatened to be made a party to a proceeding by reason of the former or present official capacity of the person 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, with respect to the acts or omissions of the person complained of in the proceeding, the person: 1. Has not been indemnified by another organization or employee benefit plan for the same liability described above with respect to the same acts or omissions; 2. Acted in good faith; 3. Received no improper personal benefit, and, if applicable, the provisions of Minnesota Statutes Section 317A.255 (Director Conflicts of Interest) have been satisfied; 4. In the case of a criminal proceeding, did not have reasonable cause to believe the conduct was unlawful; and 5. In the case of acts or omissions occurring in the official capacity described in 15.1.1, paragraph (c), clause (1), or (2), reasonable believed that the conduct was in the best interests of the Corporation, or in the case of acts or omissions occurring in the official capacity described in 15.1.1, paragraph (c), clause (3), reasonably believed that the conduct was not opposed to the best interests of the Corporation. If the person's acts or omissions complained of in the proceeding relate to conduct as a director, officer, trustee, employee, or agent of an employee benefit plan, the conduct is not considered to be opposed to the best interests of the Corporation if the person reasonably believed that the conduct was in the best interests of the participants or beneficiaries of the employee benefit plan.

B. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent does not, of itself, establish that the person did not meet the criteria set forth in this subsection.

15.1.3 *Advances.* Subject to the provisions of 15.1.4, if a person 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 Corporation of reasonable expenses, including attorneys' fees and disbursements, incurred by the person in advance of the final disposition of the proceeding, (a) upon receipt by the Corporation of a written affirmation by the person of a good faith belief that the criteria for indemnification set forth in 15.1.2 have been satisfied and a written undertaking by the person to repay all amounts so paid or reimbursed by the Corporation, if it is ultimately determined that the criteria for indemnification have not been satisfied, and (b) after a determination that the facts then known to those making the determination would not preclude indemnification under this section. The written undertaking required by clause is an unlimited general obligation of the person making it, but need not be secured and shall be accepted without reference to financial ability to make the repayment.

15.1.4 *Prohibition or Limit on Indemnification or Advances.* There are no prohibitions against or conditions on indemnification or advances of expenses other than as set forth in this article.

15.1.5 *Reimbursement to Witnesses.* This section does not require, or limit the ability of the Corporation to reimburse expenses, including attorneys' fees and disbursements, incurred by a person in connection with an appearance as a witness in a proceeding at a time when the person has not been made or threatened to be made a party to a proceeding.

15.1.6 *Determination of Eligibility.*

All determinations as to whether indemnification of a person is required because the criteria set forth in 15.1.2 have been satisfied and whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in 15.1.3 must be made:

1. By the board by a majority of a quorum. Directors who are at the time parties to the proceeding shall not be counted for determining either a majority or the presence of a quorum;
2. If a quorum under the clause (1) 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;
3. If a determination is not made under clause (1) or (2), by special legal counsel, selected either by a majority of the board or a committee by vote pursuant to clause (1) or (2) or, if the requisite quorum of the full board cannot be obtained and the committee cannot be established, by a majority of the full board including directors who are parties;
4. If a determination is not made under clauses (1) to (3), by the members with voting rights, other than members who are parties to the proceeding; or 5. If an adverse

determination is made under clauses (1) to (4) or under paragraph (b), or if no determination is made under clauses (1) to (4) or under paragraph (b) within 60 days after the termination of a proceeding or after a request for an advance of expenses, as the case may be, by a court in this state, which may be the same court in which the proceeding involving the person's liability took place, upon application of the person and any notice the court requires. With respect to a person who is not, and was not at the time of the acts or missions complained of in the proceedings, a director, officer, or person possessing, directly or indirectly, the power to direct or cause the direction of the management or policies of the Corporation, the determination whether indemnification of this person is required because the criteria set forth in 15.1.2 have been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in 15.1.3 may be made by an annually appointed committee of the board, having at least one member who is a director. The committee shall report at least annually to the board concerning its actions.

15.1.7 *Insurance.* The Corporation may purchase and maintain insurance on behalf of a person in that person's official capacity against any liability asserted against and incurred by the person in or arising from the capacity, whether or not the Corporation would have been required to indemnify the person against the liability under the provisions of this Article.

15.1.8 *Disclosure.* If the Corporation indemnifies or advances expenses to a person under this article in connection with a proceeding by or on behalf of the Corporation; (it) shall report to the members in writing the amount of the indemnification or advance and to whom and on whose behalf it was paid not later than the next meeting of members.

15.1.9 *Indemnification of Other Persons.* This article does not limit the power of the Corporation to indemnify other persons.

ARTICLE 16 WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Bylaws or under the provisions of the Articles of Incorporation or by the State of Minnesota nonprofit Corporation Act, 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.

ARTICLE 17 AMENDMENT

Amendments may be proposed by a majority of a quorum of the members of the Corporation at a business meeting or by a majority of the Board of Directors or by a majority of the Executive Committee or by a petition by at least 15% of the members of the Corporation. Upon notification of a properly proposed amendment, the Secretary-

Treasurer shall prepare a ballot containing the proposal and send it to all members. An amendment is adopted by a two-thirds majority of the members voting by mail ballot returned to the Secretary-Treasurer before the specified deadline, provided the number of returned ballots includes at least 15% of the membership.