

**BYLAWS  
OF  
ESTATE PLANNING COUNCIL OF SOUTHEAST DENVER  
(A Nonprofit Corporation)**

**ARTICLE I  
DEFINITIONS**

As used in these Bylaws, unless the context otherwise requires, the following terms shall have the meanings set forth below:

“Act” shall mean the Colorado Revised Nonprofit Corporations Act.

"Articles" shall mean the Articles of Incorporation or Charter of the Council, as filed with the Colorado Secretary of State (as the same is amended, corrected, or restated from time to time) and Articles of Merger.

“Board of Directors” shall mean the board of directors of the Council. All corporate powers shall be exercised by or under the authority of, and the business, legal, financial, and other affairs of the Council managed under the direction of, its Board of Directors, subject to any limitation set forth in the Articles, these Bylaws and the Act.

“Bylaws” shall mean this document, as amended from time to time, which is the code or codes of rules (other than the Articles) adopted pursuant to the Act for the regulation or management of the affairs of the Council.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Council" shall mean Estate Planning Council of Southeast Denver, the nonprofit corporation incorporated by the Articles and formed under these Bylaws pursuant to the Act.

“Director” shall mean a natural person serving on the Board of Directors of the Council, whether designated in the Articles or Bylaws or elected by the incorporators, and their successors and a natural person elected or appointed by the Members and given the title “Directors”, or any other name or title, to act as a member of the Board.

“File,” “filed,” or “filing” shall mean filed in the office of the Colorado Secretary of State. Also, sometimes referred to as “record,” “recorded,” or “recording,” as may be indicated by the meaning of the surrounding text.

“Individual” shall mean a natural person.

“Member” shall mean a natural person who practices, or has practiced, in one of the professions required for membership, has completely qualified for Membership as set forth in these Bylaws, and has the right to vote for the election of a Director or Directors. An individual is not a Member by virtue or any of the following: (i) any rights such person has as a delegate as defined by the Act; (ii) any rights such person has to designate a Director or Directors; or (iii) any rights such person has as a Director.

“Membership” refers to the rights and obligations a Member or Members have pursuant to the Council’s Articles, Bylaws, and the Act.

“NAEPC” shall mean the National Association of Estate Planners & Councils.

“Officers” shall mean collectively, the President, the Secretary, and each other Officer, if any, elected by the Board of Directors to run the day-to-day operations of the Council.

“Principal Office” shall mean the office located in or out of the state of incorporation as so designated in the annual report filed pursuant to the Act.

“Proceeding” includes any civil suit and criminal, administrative, and investigatory action.

“Profession” shall mean individually any of the professions required for Membership in the Council as set forth in Section 4.1a. (Qualifications of Members) and collectively as all of the professions required for Membership in the Council as set forth in Section 4.1a. (Qualifications of Membership).

“Property” shall mean all property, real or personal, tangible or intangible, including money and any legal or equitable interest owned by the Council.

“Regulations” shall mean the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time.

“State” shall mean the state, commonwealth, territory, or insular possession of the United States in which the Council was incorporated.

## **ARTICLE II MISSION, VISION AND OBJECTIVES, AND PURPOSES**

**Section 3.1 Mission.** The Mission of the Council is to promote the multi-disciplinary approach to estate planning by supporting its Members, encouraging cooperation among Members to create a thorough and complete estate plan for clients, and providing education and learning opportunities for Members, and to increase public awareness of the importance of estate planning by a team of professional advisors.

**Section 3.2 Vision and Objectives.** The Council seeks to provide opportunities for education and learning for its Members and the general public so as to promote proper estate planning methods and to provide confidence and guidance in the estate planning process.

**Section 3.3 Purposes.** The specific purposes of the Council are:

- a. To serve the best interests of the public and to promote and enhance the welfare, ethical standards, and best interests of Council and its Members;
- b. To establish and maintain a common meeting ground and medium for communication among Council Members, and to promote understanding and harmony among them and with the general public;
- c. To improve the stature of the Council and its Members through self-discipline and educational programs, and to improve their qualifications to serve the public and, particularly, their clients;
- d. To encourage talented students with high potential to enter the field of estate planning by mentoring and/or sponsoring and implementing vocational guidance and scholarship programs;
- e. To promote standards of excellence in its Members; and
- f. To encourage Members in obtaining accreditation as an "Accredited Estate Planner" by the National Association of Estate Planners and Councils and/or as an "Estate Planning Law Specialist" by the Estate Law Specialist Board.

## **ARTICLE III MEMBERS**

**Section 4.1 Qualifications of Members.**

a. In General. The membership of the Council shall be composed of persons actively practicing in and earning their livelihood in one of the following professionals and actively engaged in estate planning:

- (i) chartered life underwriters;
- (ii) trust officers;
- (iii) attorneys at law;
- (iv) certified public accountants,
- (v) certified financial planners and/or chartered financial consultants;
- (vi) estate and business valuation appraisers (those designated as certified business appraisers (CBA) or higher designation, as accredited by the American Society of Appraisers, or accredited senior appraisers (ASA) or higher designation, as accredited by the Institute of Business Appraisers); and
- (vii) philanthropic advisors.

b. *No Limitation on Profession Distribution*. Any number of individuals involved in one or more of the above Professions may become Members in the Council if the above qualification criteria is met and his/her application is affirmed in compliance with the Bylaws and the rules and regulations of the Board of Directors.

#### **Section 4.2 Application.**

a. *Submission of Application to the Board*. Any individual applying for Membership in the Council shall complete the application procedure as defined by the Council's Board of Directors and this Section 4.2 (Application) and submit said completed application to the Board for its review. Any controversy concerning Membership criteria and qualifications will be resolved by the Board of Directors, which has final authority in this regard. The Council's Administrator may grant membership approval for persons who qualify under one of the seven (7) disciplines required to become a member. Membership status may be granted for persons who do not qualify under one of the seven (7) disciplines required to become a member, but who the Board of Directors determines has qualifications in related fields of activity and who can contribute to the Council in a meaningful way. The Board must approve a new Member application by a majority vote of all Directors.

**Section 4.3 Term, Dues, and Renewal**. All Members shall pay dues annually as determined by the Board of Directors. The term of Membership shall be one (1) year ending on the last day of the calendar year. Membership shall be renewed automatically each year if the Member is in

good standing with dues paid in full. The Board of Directors shall make reasonable provisions for the proration of dues and Membership terms for Members joining during, but after the start of, a fiscal year.

#### **Section 4.4 Termination of Membership.**

a. *Delinquency.* A Member shall become delinquent if annual dues are not paid within one (1) month of the initial dues notification. A notice of delinquency shall be given and the Membership shall be terminated if payment is not made within thirty (30) days of notice. Any individual whose Membership has been terminated for reasons of delinquency may be reinstated according to procedures established by the Board of Directors. The Board may decline to reinstate Members whose Membership has been terminated for reasons of delinquency.

b. *Discipline.* By a two-thirds (2/3) affirmative vote, the Board of Directors may expel a Member for any cause which, in its judgment, is deemed sufficient, provided that said cause is fair and reasonable. No Member shall be expelled until he or she has been notified pursuant to Section 4.4f. (Termination of Membership, Procedure) herein. If no response is received within the time limit set forth in the notice, the Member may be automatically expelled. Upon expulsion under this section, all rights and privileges of Membership of the expelled Member are terminated and any Membership certificate shall be surrendered to the Council by the expelled Member. The Member shall be liable for all costs, including, but not limited to, attorney's fees, incurred by the Council in seeking recovery of any Membership certificate, collection of delinquent Membership dues, and in seeking injunctions prohibiting the expelled Member from claiming Membership after the expulsion.

c. *Death.* A Member's Membership in the Council is automatically terminated upon that Member's death.

d. *Incapacity.* A Member's Membership in the Council is automatically suspended upon that Member's incapacity (in the sole opinion of the Board). If the incapacity is cured or otherwise removed, then the incapacitated Member's suspension may be lifted and the Member reinstated upon petition to the Board for such reinstatement.

e. *Resignation.* A Member desiring to resign shall submit in writing notification to the Board of Directors for its action. This notification does not relieve the Member of any dues owed at the time of the notification. Membership shall be terminated upon the acceptance of the resignation by the Board of Directors.

f. *Procedure.* Any Member's rights may be terminated or suspended or the Member expelled pursuant to any procedure that is fair and reasonable and is carried out in good faith. The Member should be notified in writing at least fifteen (15) days prior to the expulsion or termination or suspension of his/her Membership and the reasons for said expulsion, termination, or suspension. At least five (5) days before the proposed expulsion of the Member or the proposed termination or suspension of the Member's Membership, the Member may provide to the Board of Directors a written explanation of why the proposed expulsion, termination, or suspension should not take place. The Board may also allow, but is not required to do so, the Member to give oral testimony before the Board on that Member's behalf to request that no expulsion, termination, or suspension be instituted. If a Board meeting is held to consider a written statement by the Member or an oral hearing is held, a decision shall be made and conveyed in writing to the Member within thirty (30) days of said Board meeting or hearing date. Immediate expulsion of a Member or termination or suspension of a Member's Membership may take place prior to the end of the fifteen (15) days notice period required above, if such termination or suspension is fair and reasonable taking into consideration all of the relevant facts and circumstances. Any written notice given by mail must be given by first-class or certified mail sent to the last address of the Member shown on the Council's records. Any proceeding challenging an expulsion, termination or suspension, including a proceeding in which defective notice is alleged, must be commenced within one (1) year after the effective date of the expulsion, termination or suspension.

g. *Obligation of Member for Dues.* A Member who has resigned, been expelled, or whose Membership has been terminated or suspended may be liable to the Council for dues, assessments or fees as a result of obligations incurred or commitments made prior to such resignation, expulsion, termination, or suspension. Dues are incurred at the beginning of each fiscal year and no refunds shall be given for expulsion, termination, suspension or resignation, unless otherwise indicated in the Bylaw for certain rare circumstances.

**Section 4.5 Annual and Regular Meeting.** An annual business meeting shall be held each year during the last meeting of the year. Each Member shall receive at least fifteen (15) days' notice of the meeting and its location, if other than the Council's principal office, of any meeting whose date is not set forth in these Bylaws or which occurs at duly designated regular intervals, since such regular meetings require no such notice other than the Bylaw or notice of a regular meeting at certain set intervals (*e.g.*, first of each month, 2<sup>nd</sup> Tuesday of each odd numbered month, 1<sup>st</sup> Thursday of each new quarter, etc.). At each annual meeting, the President and/or chief financial officer shall report on the activities and financial condition of the Council; the Members shall elect Directors and Officers, if necessary; and the Members shall consider and act upon such other matters as may be raised consistent with the notice requirements of Section 4.12 (Notice).

If the Board feels that additional meetings are necessary or desirable to fulfill the purpose of the Council, then the Board may schedule other regular meetings of the Members other than just an annual business meeting, such as monthly, quarterly, or at such other intervals, regular or irregular, as the Board may choose. The failure to hold an annual meeting at a time stated in or fixed in accordance with the Bylaws does not affect the validity of any corporate action.

**Section 4.6 Special Meetings.** Special meetings of the Members of the Council may be called by the President, by a majority vote of the Board of Directors, or by at least ten percent (10%) of all the Members entitled to cast votes on any issue proposed to be considered at the proposed special meeting. Each Member shall be notified by mail (including regular mail and e-mail) of the purpose of the meeting not less than fifteen (15) days prior to the meeting date.

**Section 4.7 Informal Actions by Members.** Unless otherwise provided by law, any action required or permitted to be taken at a meeting of the Members may be taken without a meeting if eighty percent (80%) of all Members entitled to vote on the action consent to taking such action without a meeting. The affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting is the act of the Members. The action must be evidenced by one (1) or more written consents describing the action taken, signed by at least eighty percent (80%) of the Members entitled to vote on the action in one or more counterparts, indicating each signing Member's vote or abstention on the action, and delivered to the Council for inclusion in the minutes or filing with the corporate records. If no record date is set as provided in Section 4.11 (Record Date) herein, then the record date for determining Members entitled to take action without a meeting is the date the first Member signs the consent. Also, any action which can be taken at a regular or special meeting of the Members can be taken by written ballot.

**Section 4.8 Rules of Order.** *Robert's Rules of Order* (Newly Revised) shall govern the conduct of all meetings of the Members, the Board of Directors, the Officers, or any committees, except as outlined in these Bylaws and/or special rules adopted by the Council.

**Section 4.9 Quorum.**

a. *10% of Votes.* Unless the Act or the Articles provide for a higher or lower quorum, ten percent (10%) of the votes entitled to be cast on a matter must be represented at a meeting of Members to constitute a quorum on that matter.

b. *Amendment Quorum.* An amendment to the Articles or Bylaws that adds, changes, or deletes a quorum or voting requirement shall meet the same quorum requirement and be

adopted by the same vote required to take action under the quorum and voting requirements then in effect or proposed to be adopted, whichever is greater.

c. *Quorum If Notice Is Not Given of Matter.* Unless one-third ( $\frac{1}{3}$ ) or more of the voting power is present in person or by proxy, the only matters that may be voted upon at an annual or regular meeting of Members are those matters that are described in the meeting notice.

**Section 4.10 Voting.** If a quorum is present when a vote is taken, the affirmative vote of a majority of Members present constitutes the act of the Members, unless a greater number than a majority of the Members present is required by the Articles, the Act, or the Bylaws. A Bylaw amendment to increase or decrease the vote required for any Member action must be approved by the Members by the same vote required to take action under the Bylaw voting requirements then in effect or proposed to be adopted, whichever is greater. A Member who is present at a meeting when corporate action is taken is deemed to have assented to the action unless:

1. He or she objects at the beginning of the meeting, or promptly upon his or her arrival, to holding the meeting or transacting business at the meeting;
2. He or she dissents or abstains from the action taken, which dissent or abstention is entered in the minutes of the meeting; or
3. He or she delivers written notice of his/her dissent or abstention to the presiding Officer of the meeting before its adjournment or to the Secretary immediately after adjournment of the meeting. The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

**Section 4.11 Record Date.** The Board of Directors shall fix as the record date for the determination of Members entitled to notice of a Members' meeting, to demand a special meeting, to vote, or to take any other action, a date not more than seventy (70) days before the meeting or action requiring a determination of Members. If the Board of Directors fails to fix a record date for any meeting of Members, Members of record on the close of business on the business day next preceding the day of which notice is given shall be entitled to notice. A record date fixed for a Members' meeting is effective for any adjournment of such meeting unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.

**Section 4.12 Notice.** The Council shall notify Members of the date, time and place of each annual and special Members' meeting no fewer than fifteen (15) days before the meeting date. The Council is required to give notice only to Members entitled to vote at the meeting. All notices of special meetings shall include a description of the purpose or purposes for which the meeting



is called. A notice of any meeting (annual, regular or special) called for any of the following purposes shall include a description of said purpose(s) to be voted upon by the Members:

1. A conflict of interest transaction;
2. Indemnification of an Officer, employee, or agent;
3. Amendment of the Articles or Bylaws;
4. Merger with another entity);
5. Sale of substantially all of the assets of the Council other than in the ordinary course of activities);
6. Dissolution of the Council.

**Section 4.13 Waiver of Notice.** A Member may waive any notice required by the Act, the Articles, or the Bylaws before or after the date and time stated in the notice. The waiver must be in writing, be signed by the Member entitled to the notice, and be delivered to the Council for inclusion in the minutes or filing with the corporate records.

**Section 4.14 Proxies.**

a. *Appointment of a Proxy.* A Member may vote in person or by proxy. A Member may appoint a proxy to vote or otherwise act for him by signing an appointment form, either personally or by his attorney-in-fact. An appointment of a proxy is effective when received by the Secretary or other Officer or agent authorized to tabulate votes. An appointment is valid for eleven (11) months unless another period is expressly provided in the appointment form. Subject to the Council's right to accept or decline a Member's vote and any express limitation on the proxy's authority appearing on the face of the appointment form, the Council is entitled to accept the proxy's vote or other action as that of the Member making the appointment.

b. *Revocability.* An appointment of a proxy is revocable by the Member. A proxy cannot be irrevocable since all Membership interests are non-transferable. Appointment of a proxy is revoked by the Member appointing the proxy: (1) attending any meeting and voting in person, or (2) signing and delivering to the Secretary or other Officer or agent authorized to tabulate proxy votes either a written document stating that the appointment of proxy is revoked or a subsequent appointment of proxy form appointing a new proxy for said Member.

c. *Death or Incapacity of Member.* The death or incapacity of the Member appointing a proxy does not affect the right of this Council to accept the proxy's authority unless notice of the death or incapacity is received by the Secretary or other Officer or agent authorized to tabulate votes before the proxy exercises his authority under the appointment. However, once the

Council is aware of a Member's death or incapacity, the Member's voting rights are terminated or suspended as set forth in Section 4.4c (Termination of Membership, Death) or Section 4.4d (Termination of Membership, Incapacity).

**Section 4.15 Transfer of Membership.** Membership in the Council, or any rights thereunder, is not transferable.

**Section 4.16 Member Professional Responsibilities.** A Member of the Council is required to conduct himself/herself at all times in the following manner:

- a. To uphold the integrity and honor of the profession and to encourage respect for it. This involves promoting the continual development of the estate planning industry, as well as the Member's respective specialization.
- b. To be fair. This requires that a professional treat others as he/she would wish to be treated if in the other's position. It also means that a Member shall disclose conflicts of interest in providing estate planning services.
- c. To continually improve his/her knowledge, skill, and competence throughout his/her working life.
- d. To do the utmost to attain a distinguished record of professional service based upon diligence. This means that a Member must act with patience, timeliness, and consistency, and do so in a prompt and thorough manner in the service of others.
- e. To support the established institutions and organizations concerned with the integrity of his/her profession.
- f. To respect the confidentiality of any information entrusted to, or obtained in the course of, the Member's business or professional activities.
- g. To regulate himself or herself. That is, every Member has a two-fold duty to abide by his/her other applicable professional codes of ethics, and to also facilitate the enforcement of this Code of Professional Responsibility. This also means expeditiously reporting breaches of professional responsibility, including one's own, to the Council. The Council will make all reasonable efforts to diligently investigate each reported breach and report such breach to the proper professional governing body, if the investigation results in a breach that requires reporting or the Council feels, in its sole opinion, that such breach merits reporting to the professional governing body. Nothing herein shall be construed to make the Council responsible for reporting such findings to the general public. Confirmed breaches will result in discipline by the Council, which may include dismissal for the most egregious offenses.

- h. To comply with all laws and regulations, in particular as they relate to professional and business activities.
- i. To cooperate with other Members, and other estate planning professionals, to enhance and maintain the estate planning profession's public image, and to work together to improve the quality of services rendered.

#### **ARTICLE IV - BOARD OF DIRECTORS**

**Section 5.1 General Powers.** All corporate powers shall be exercised by, or under the authority of, its Board of Directors. The business and affairs of the Council shall be managed under the direction of its Board of Directors.

**Section 5.2 Number, Tenure, and Qualifications of Directors (General).** Directors shall be elected by the majority vote of the Members of the Council. All Directors shall be elected for terms of three (3) years and can serve an unlimited number of terms. The terms of these various Directors may, or may not, be staggered, as the Board of Directors determines from time to time. There shall, at all times, be at least three (3) and no more than seven (7) Directors. Directors must be natural persons who are eighteen (18) years of age or older and are Members of the Council.

**Section 5.3 Number and Profession Qualification of Directors.** The Board of Directors shall be comprised of any Officer of the Council whose duties include service on the Board of Directors as set forth in Section 6.5 (Officers and Duties), regardless of Profession. The Board of Directors will additionally be comprised of one Member from each of the Professions listed in Section 4.1 (Qualifications of Members). Notwithstanding the above, no Director is required to represent a particular Profession if there is no Member willing to serve on the Board who is a member of that particular Profession. In such a case, the number of Board members shall be reduced by the number of unrepresented Professions.

**Section 5.4 Resignation.** A Director may resign at any time by delivering written notice to the Board's presiding officer (if the Board of Directors has elected a presiding officer other than the President), the President or the Secretary. The resignation shall be effective when it is delivered unless the notice specifies a later effective date.

**Section 5.5 Removal of Director.** A Director may be removed either (1) by a two-thirds (2/3) vote of the Board of Directors at any regular or special meeting of the Board of Directors at which a quorum is present, provided that the Director being considered for removal is provided with a written explanation as to why the Director is being removed, and that an opportunity for a

hearing before the Board of Directors has been offered; or (2) by a majority vote of the Members of the Council eligible to vote for Directors, present and voting at any regular or special meeting at which a quorum is present and notice is given pursuant to Section 4.13 (Notice). Nothing in this section should be construed as requiring that a Director be removed only for cause.

**Section 5.6 Vacancy on the Board.** If a vacancy occurs on the Board of Directors, including a vacancy resulting from a removal or resignation of a Director, the Board of Directors may fill the vacancy. Even if the Directors remaining in office constitute fewer than a quorum of the Board of Directors, they may fill the vacancy by the affirmative vote of a majority of all the Directors remaining in office.

**Section 5.7 Regular Meetings.** The Board of Directors shall meet at least once a year immediately after the annual meeting of the Members. The Board of Directors may also schedule other regular meetings to be held directly after a regular meeting of the Members. Each Director shall be given at least two (2) days notice of the time and place of any Board of Directors meetings other than the annual meeting, which follows the Members' annual meeting and notice for that Members' meeting is sufficient. The Directors may provide, by resolution, the date, time and place for the holding of additional regular meetings without notice other than such resolution. Meetings may be held either in or out of the State.

**Section 5.8 Special Meetings.** Special meetings of the Directors, may be called by the presiding officer of the Board (if a presiding officer other than the President has been elected by the Board), the President, or at least twenty percent (20%) of the Directors then in office. The person or persons authorized to call special meetings of the Directors may fix the date and time for said special meeting, but the place shall be at the principal office of the Council unless otherwise agreed upon by a majority of the Directors.

**Section 5.9 Notice.**

a. *Regular Meetings.* Regular meetings of the Board of Directors, unless otherwise indicated in the Bylaws, may be held without notice.

b. *Special Meetings.* Special meetings of the Board of Directors must be preceded by at least two (2) days notice to each Director of the date, time, and place of the meeting.

c. *Adjourned Meetings.* Notice of an adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is

taken and if the period of adjournment does not exceed one (1) month in any one (1) adjournment.

**Section 5.10 Waiver of Notice.** A Director may waive any notice required before or after the date and time stated in the notice. The waiver must be in writing, signed by the Director entitled to the notice, and filed with the minutes or corporate records. A Director's attendance at, or participation in, a meeting waives any required notice of the meeting unless the Director at the beginning of the meeting, or promptly upon his or her arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**Section 5.11 Electronic Conference Meetings.** The Board of Directors may permit any or all Directors to participate in a regular or special meeting by any means of communication by which all Directors participating may simultaneously communicate with each other during the meeting. The entire meeting may be conducted through such means. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

**Section 5.12 Quorum and Voting.**

a. *Quorum.* A quorum of the Board of Directors consists of a majority of the Directors in office immediately before a meeting begins. In no event may the Bylaws authorize a quorum of fewer than the greater of either one-third ( $\frac{1}{3}$ ) of the number of Directors in office or two (2) Directors.

b. *Voting.* If a quorum is present when a vote is taken, the affirmative vote of a majority of Directors present constitutes the act of the Board of Directors.

**5.13 Committees of the Board.** The Board of Directors may create one or more committees, which may consist of one or more members. All committee members shall be appointed by the Board of Directors. All committee members shall be appointed for such terms as set by the Board when creating or amending the committee. All committees serve at the pleasure of the Board of Directors. Each committee may exercise the authority of the Board of Directors as authorized by the Board of Directors except that a committee may not take action prohibited by the Act, which actions deal with (1) authorizing distributions; (2) approving or recommending to the Members the dissolution of the Council, merger of the Council with another entity, or the sale, pledge or transfer of substantially all of the Council's assets; (3) electing, appointing, or removing any Directors or filling vacancies on the Board or any of its committees; or (4) adopting, amending, or repealing the Articles or Bylaws. The Committee shall follow all Bylaw provisions relating to

Board conduct, particularly those which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board, and any additional rules and regulations promulgated by the Board relating to committees in general or that particular committee.

**Section 5.14 Actions Without a Meeting of the Board.**

- a. *Action Without a Meeting.* Action may be taken by the Directors without a meeting. If all Directors consent to taking such action without a meeting, the affirmative vote of the number of Directors that would be necessary to authorize or take such action at a meeting is the act of the Board of Directors.
- b. *Effective Date.* Action taken under this section is effective when the last Director signs the consent, unless the consent specifies a different effective date.
- c. *Effectiveness.* A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

**Section 5.15 Standing Rules and Regulations (Policies).** A standing rule or policy of the Board of Directors is defined as a definite course or method of action selected to guide and determine present and future decisions of the Council. Officers shall follow all standing rules or policies in carrying out their duties in conducting the business and affairs of the Council. Standing rules, regulations, or policies may be enacted only when approved by an affirmative vote at two (2) consecutive meetings of the Board of Directors. Thereafter, changes in, additions to, or deletions from, standing rules or policies may be accomplished only when approved by an affirmative vote at two (2) consecutive meetings of the Board of Directors. The Board of Directors may suspend, for a set period of time not exceeding thirty (30) days, any standing rule or policy, but only upon three-fourths ( $\frac{3}{4}$ ) vote of those present.

**ARTICLE V  
OFFICERS**

**Section 6.1 Number.** The Officers of the Council shall be the President, the Secretary, and the Treasurer, each of whom shall be elected by the Members. The Members may, but are not required to, elect a Vice-President and a Chairman of the Board. Members may elect a combined Secretary-Treasurer. Such other Offices, as may be deemed necessary, may be created by the Directors, and such other Officers and assistant Officers may be elected in the same manner as the other Officers. Any Officer not elected by the Members shall not serve automatically on the

Board of Directors, but may be elected separately as a Director. The same individual may simultaneously hold more than one (1) office in the Council.

### **Section 6.2 Nomination, Election, and Term of Office.**

a. *Nomination and Election.* The Board of Director, or a committee authorized to nominate Officers by the Board of Directors and in accordance with procedures approved by the Board of Directors, shall nominate Members of the Council who are eligible to serve as an Officer for particular offices. The Board shall submit its slate for election at or prior to the annual meeting. If the election is by mailed ballot, in order to be elected, a Member eligible to serve as an Officer must receive a majority of the valid ballots returned to the Council no later than thirty (30) days after the initial mailing. If the election is not by mailed ballot, the election will take place at the annual business meeting of the Members of the Council, where a Member nominated for an office must receive a majority of the votes cast by the Members entitled to vote for Officers. In the event that more than two (2) candidates appear on the ballot and no candidate receives a majority of the votes, a runoff election between the two (2) candidates receiving the most votes shall be conducted.

b. *Term of Office.* The term of office for all elected Officers shall be one (1) year, with an unlimited number of terms. Officers may serve consecutive terms in office. Each Officer shall hold office until his successor shall have been duly elected and shall have qualified or until he/she shall resign or shall have been removed in the manner hereinafter provided.

c. *Contract Rights.* The appointment or election of an Officer does not itself create contract rights.

**Section 6.3 Removal.** Any Officer elected by the Members may be removed (1) by an affirmative vote of the majority of the Members at a meeting called for such purpose, or (2) by an affirmative vote of the majority of the Directors. Any Officer, committee member, or agent appointed or approved by the Directors may be removed by the Directors whenever, in their judgment, the best interests of the Council would be served thereby. Nothing in this section should be construed as requiring that an Officer be removed only for cause. Any removal shall be without prejudice to the contract rights, if any, of the person so removed.

**Section 6.4 Resignation.** An Officer may resign at any time by delivering notice to the President or Secretary. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Board of Directors accepts the later effective date, the Board of Directors may fill the pending vacancy before the

effective date if they provide that the successor does not take office until the effective date. An Officer's resignation does not affect the Council's contract rights, if any, with the Officer.

### **Section 6.5 Officers and Duties.**

a. *President.* The President shall be the chief executive officer of the Council and, subject to the control of the Directors, shall, in general, supervise and control all of the business and affairs of the Council. The President shall, when present, preside at all meetings of the Directors unless someone other than the President is elected as Chairman of the Board, in which case said Chairman shall preside. The President may sign, with the Secretary, or any other proper Officer of the Council thereunto authorized by the Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Directors have authorized to be executed, except in cases where the execution thereof shall be expressly delegated by the Directors or by these Bylaws to some other Officer or agent of the Council, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Directors from time to time. The President shall also serve as a Director of the Council.

b. *Secretary.* The Secretary shall keep the minutes of the Directors' meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these Bylaws, or as required, be custodian of the corporate records and of the seal of the Council, and keep a register of the post office address of each Director (which address shall be furnished to the Secretary by such Director), and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Directors. The Secretary shall also serve as a Director of the Council.

c. *Treasurer.* If required by the Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Directors shall determine. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Council; receive and give receipts for moneys due and payable to the Council from any source whatsoever, and deposit all such moneys in the name of the Council in such banks, trust companies or other depositories as shall be selected in accordance with these Bylaws, and, in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Directors. The Treasurer shall act as registered agent for the Council and the Treasurer's business address shall be used as the registered office address for the Council. The Treasurer shall also serve as a Director of the Council.



d. *Chairman of the Board.* The Chairman of the Board, if someone other than the President, shall preside at all meetings of the Directors as the presiding officer. The Chairman of the Board shall be responsible for the implementation of policies established by the Board of Directors. The Chairman of the Board shall have such duties as the Board of Directors may, from time to time, designate. The Chairman of the Board shall also serve as a Director of the Council.

e. *Vice-President.* In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of, and be subject to, all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned by the President or by the Directors. The Vice-President shall also serve as a Director of the Council.

f. *Immediate Past President.* Upon completion of their term, the President has the option to remain on the board as Immediate Past President for a one-year term. The Immediate Past President shall carry out duties assigned by the new President. If the Immediate Past President is permanently unable to perform the duties of the office, the most recent available Past President shall be asked to serve. The Immediate Past President shall also serve as a Director of the Council.

g. *President-Elect.* Upon completion of the current President's term, the President-Elect shall become the President and shall carry out duties assigned to the President. During such time as the President-Elect is serving as such, the President-Elect shall carry out duties assigned by the current President. If the President-Elect is permanently unable to perform the duties of the office, the most recent available Immediate Past-President shall be asked to serve. The President-Elect shall also serve as a Director of the Council.

## **ARTICLE VI GENERAL STANDARDS OF CONDUCT**

**Section 7.1 Standards of Conduct for Directors and Officers.** A Director or Officer shall discharge his or her duties as a Director or Officer, including his or her duties as a member of a committee, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interests of the Council. The Director or Officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

- a. One or more Officers or employees of the Council whom the Director reasonably believes to be reliable and competent in the matters presented;
- b. Legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or
- c. A committee of the Board of Directors of which he is not a member if the Director reasonably believes the committee merits confidence. (Only for Directors).

A Director or Officer is not acting in good faith if said Director or Officer has knowledge concerning the matter in question that makes reliance otherwise permitted by this section unwarranted.

**Section 7.2 Loans to Directors or Officers.** The Council may not lend money to, or guarantee the obligation of, a Director or Officer of the Council. The fact that a loan or guaranty is made in violation of this section does not affect the borrower's liability on the loan.

**Section 7.3 Liability for Unlawful Distributions.**

a. *Director Liability.* A Director who votes for, or assents to, a distribution made in violation of the Act or the Articles is personally liable to the Council for the amount of the distribution that exceeds what could have been distributed without violating such section or the Articles if it is established that the Director did not perform such Director's duties in compliance with the Act, the Articles or these Bylaws. In any proceeding commenced under this section, a Director has all of the defenses ordinarily available to a Director.

b. *Contribution.* A Director held liable under Section 7.3a (Liability for Unlawful Distributions, Director Liability) for an unlawful distribution is entitled to contribution from every other Director who could be held liable under Section 7.3a (Liability for Unlawful Distributions, Director Liability) for the unlawful distribution and each person who received an unlawful distribution for the amount of the distribution, whether or not the person receiving the distribution knew it was made in violation of the Act or the Articles.

**Section 7.4 Compliance with State and Federal Laws.** Directors and Officers shall at all times be in compliance with various provisions of applicable State and federal laws governing nonprofit organizations.

**ARTICLE VII**  
**CONTRACTS, LOANS, CHECKS AND DEPOSITS**

**Section 8.1 Contracts.** The Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the Council, and such authority may be general or confined to specific instances.

**Section 8.2 Loans.** No loans shall be contracted on behalf of the Council and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Directors. Such authority may be general or confined to specific instances.

**Section 8.3 Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Council shall be signed by such Officer or Officers, agent or agents of the Council and in such manner as shall from time to time be determined by resolution of the Directors.

**Section 8.4 Deposits.** All funds of the Council not otherwise employed shall be deposited from time to time to the credit of the Council in such financial institution(s) as the Board of Directors shall designate.

**ARTICLE VIII**  
**CONFLICT OF INTEREST POLICY**

**Section 9.1 Conflict of Interest Transaction.**

a. *Definition.* A conflict of interest transaction is a transaction with the Council in which a Director of the Council has a direct or indirect interest.

b. *Methods of Acceptance of Transaction.* A conflict of interest transaction is not voidable by the Council or the basis for imposing liability on a Director solely because of a Director's interest in the transaction if any one (1) of the following is true:

1. in advance of the vote of the Board of Directors or a committee of the Board, the material facts of the transaction and the Director's interest were disclosed or known to the Board of Directors or committee of the Board of Directors and the Board of Directors or committee authorized, approved, or ratified the transaction;

2. in advance of the vote of the Members, the material facts of the transaction and the Director's interest were disclosed or known to the Members and they authorized, approved, or ratified the transaction;
3. or the transaction was fair at the time it was entered into.

**Section 9.2 Indirect Interest.** A Director or Officer of the Council has an indirect interest in the transaction if, but not only if, another entity in which the Director or Officer has a material financial interest in is a party to the transaction; another entity in which the Director or Officer is a general partner is a party to the transaction; or another entity of which the Director or Officer is a governor, director, manager, officer, or trustee is a party to the transaction. All such interest should be disclosed to and considered by the Board of Directors.

**Section 9.3 Authorization, Approval, and Ratification Under Section 9.1b1 Above.** A conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the Directors who have no direct or indirect interest in the transaction ("Disinterested Directors"), but a transaction may not be authorized, approved, or ratified by a single Director. If a majority of the Disinterested Directors vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a Director with a direct or indirect interest in the transaction does not affect the validity of any action taken under this section, unless otherwise provided.

**Section 9.4 Authorization, Approval, and Ratification Under Section 9.1b2 Above.** A conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the Members. Votes cast by or voted under the control of a Director who has a direct or indirect interest in the transaction, and votes cast by or voted under the control of an entity described in Section 9.2 (Indirect Interest), may not be counted in a vote of the Members to determine whether to authorize, approve, or ratify a conflict of interest transaction under this section. The vote of these Members, however, is counted in determining whether the transaction is approved under other sections of the Act. A majority of the voting power, whether or not present, that are entitled to be counted in a vote on the transaction under this section constitutes a quorum for the purpose of taking action under this subsection.

## **ARTICLE IX FISCAL YEAR**

The fiscal year of the Council shall begin on the 1st day of January of each year.

**ARTICLE X  
SEAL**

The Directors may, at their election, provide for a corporate seal which, if provided, shall be circular in form and shall have inscribed therein the name of the Council, the state of incorporation, the year of incorporation and the words, "Corporate Seal." It may be embossed, rubber stamped or computer generated.

**ARTICLE XI  
MEMBERSHIP IN NAEPC**

The Council is required to be a member of the NAEPC and abide by all rules and regulations set forth by said NAEPC.

**ARTICLE XII  
AMENDMENT**

All amendments to the Articles and these Bylaws shall be in compliance with the Act, as amended from time to time.