

## AMENDED AND RESTATED

### BYLAWS

#### OF

### GEORGIA ASSOCIATION OF RECOVERY RESIDENCES, INC.

These Amended and Restated Bylaws shall regulate the business and affairs of Georgia Association of Recovery Residences, Inc. (the “Corporation”), subject to the provisions of the Articles of Organization of the Corporation (as amended or restated from time to time, the “Articles”) and any applicable provisions of the Georgia Nonprofit Code (as amended, the “Act”).

#### ARTICLE I. OFFICES

1.1 Principal Office. The principal office of the Corporation shall be located at 2801 Clearview Place, Doraville, GA 30340. The Corporation may have such other offices, either within or without the State of Tennessee, as its Board of Directors may designate or as the business of the Corporation may require from time to time.

1.2 Registered Office. The registered office shall be located at 2801 Clearview Place, Doraville, GA 30340. The registered office of the Corporation required by the Act to be maintained in the State of Georgia may, but need not, be identical to the principal office in the State of Tennessee; and the address of the registered office may be changed from time to time by its Board of Directors.

#### ARTICLE II. PURPOSES

2.1 Purposes. The purposes of the Corporation are as follows:

(a) In General. The Corporation is organized and will be operated as an association of recovery residences. It is intended that the Corporation shall have the status of a corporation that is exempt from federal income taxation under § 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”), as an organization described in § 501(c)(6) thereof. The Corporation will not engage in a regular business of a kind ordinarily carried on for profit, within the meaning of § 501(c)(6) of the Code

(b) Specific. The specific purpose of the Corporation is to insure the highest quality care for chemically dependent individuals in need of longer-term recovery residence support and/or residential treatment and shall include the power to:

(i) Create, monitor, evaluate, and improve standards and measures of quality for recovery residence programs in Georgia.

(ii) To insure good ethical practices by all member organizations of GARR.

(iii) To maintain a forum for exchanging ideas, lending support, problem solving, and providing guidance to new and existing residential programs.

(iv) To provide community education and training to member organizations to enhance and grow competency and to increase abilities within the recovery residences programs and to promote individual growth.

(v) To assist and educate recovery residence programs throughout the state of Georgia.

2.2 Prohibitions. The Corporation is not formed for financial or pecuniary gain; and no part of the assets, income, or profits of the Corporation shall be distributable to, or inure to, the benefit of its trustees, officers, or any other private person, except as provided herein as reimbursement for reasonable expenses on behalf of the Corporation, and except to make payments and distributions in furtherance of the purposes of the Corporation, as set forth in the Articles.

2.3 Termination of the Corporation. The Board of Directors of the Corporation shall have the authority to terminate the Corporation at any time that, by an affirmative vote of a majority of the Board of Directors, it deems such termination appropriate or advisable. Upon the dissolution of the Corporation, after paying or making provision for payment of all liabilities of the Corporation then outstanding and unpaid, the Board of Directors shall distribute the assets of the Corporation to one or more organizations then described under § 501(c)(6) or § 501(c)(3) of the Code, or any corresponding provision of any future federal tax laws, as the Board of Directors shall determine. Any assets not so disposed of by the Board of Directors shall be disposed of by a court having equity jurisdiction in the county in which the principal office of the Corporation is then located, with the distribution of assets to be made to one or more organizations then described under § 501(c)(6) or § 501(c)(3) the Code, or any corresponding provision of any future federal tax laws, as such court shall determine.

### **ARTICLE III. MEMBERSHIP**

3.1 Members. The Corporation shall have members (the “Members”).

3.2 Criteria for Membership. The criteria for Membership in the Corporation shall be established by the Board of Directors.

3.3 Admission and Termination of Members. A person wishing to become a Member may only be admitted as a Member on the approval of the Board of Directors. A Member may be expelled or suspended by and upon such criteria as determined by the Board of Directors.

Prior to the expulsion or suspension of a Member, the Corporation shall provide the Member written notice and an opportunity to be heard as provided in § 14-3-621 of the Act.

3.4 Dues. The dues of the Members shall be determined annually by the Board of Directors.

3.5 Annual Meeting. An annual meeting of the Members of the Corporation shall be held in December of each year. The business to be transacted at such meeting shall be the election of the Board of Directors of the Corporation and such other business as shall be properly brought before the meeting, including any actions required by § 14-3-701 of the Act.

3.6 Other Scheduled Meetings. Including the annual meeting, the Members shall meet six (6) times per year and shall meet every even month. The purpose of the membership meetings (including the annual meeting) is to promote ongoing education opportunities for the membership, to exchange ideas and to support, nurture and problem solve, and to develop referral relations within the Corporation, and to greet and introduce prospective new members to the Corporation.

3.7 Special Meetings. A special meeting of the Members shall be held on call of the Board of Directors of the Corporation or if at least ten percent (10%) of the Members sign, date and deliver to the Corporation's Secretary one (1) or more written demands for the meeting describing the purpose or purposes for which such special meeting is to be held. Only business within the purpose or purposes described in the meeting notice may be conducted at a special members' meeting.

3.8 Place of Meetings. The Board may designate any place, either within or without the State of Georgia, as the place of meeting for any annual meeting or for any special meeting. If no place is fixed by the Board, the meeting shall be held at the principal office of the Corporation.

3.9 Notice of Meetings; Waiver.

(a) Notice. Notice of the date, time and place of each annual and special Members' meeting and, in the case of a special meeting, a description of the purpose or purposes for which the meeting is called, shall be given no fewer than ten (10) days nor more than sixty (60) days before the date of the meeting. Such notice shall comply with the requirements of Article 11 of these Bylaws and § 14-3-705 of the Act.

(b) Waiver. A Member may waive any notice required by law, the Articles or these Bylaws before or after the date and time stated in such notice. Except as provided in the next sentence, the waiver must be in writing or by electronic transmission, be signed by the Member entitled to the notice and be delivered to the Corporation for inclusion in the minutes or filing with the corporate records. A Member's attendance at a meeting: (1) waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting (or promptly upon his arrival) objects to

holding the meeting or transacting business at the meeting; and (2) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

3.10 Record Date. The Board 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. A record date fixed for a Members' meeting is effective for any adjournment of such meeting unless the Board 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.

3.11 Members' List. After the record date for a meeting has been fixed, the Corporation shall prepare an alphabetical list of the names of all Members who are entitled to notice of a Members' meeting. The Members' list will be available for inspection by any Member, beginning two (2) business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, at the Corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A Member or his agent or attorney is entitled on written demand to inspect and, subject to the requirements of the Act, to copy the list, during regular business hours and at his expense, during the period it is available for inspection.

3.12 Voting Groups; Quorum; Adjournment. All Members entitled to vote and be counted together collectively on a matter at a meeting of Members shall be a "voting group". Members entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those Members exists with respect to that matter. Except as otherwise required by the Act or provided in the Articles, sixty percent (60%) of the votes entitled to be cast on a matter by a voting group constitutes a quorum of that voting group for action on that matter. Once a Member is present for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting. If a quorum of a voting group shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting to a different date, time or place without notice other than announcement at the meeting of the new time, date or place to which the meeting is adjourned. At any adjourned meeting at which a quorum of any voting group shall be present or represented, any business may be transacted by such voting group which might have been transacted at the meeting as originally called.

3.13 Voting. Unless otherwise provided in the Act or the Articles, each Member is entitled to one (1) vote on each matter voted on at a Members' meeting. If a quorum exists, approval of action on a matter (other than the election of directors) by a voting group entitled to vote thereon is received if the votes cast within the voting group favoring the action exceed the

votes cast opposing the action, unless the Articles or the Act requires a greater number of affirmative votes.

3.14 Quorum. Ten present (10%) of the Members must be represented at a meeting of the Members (in person or by proxy) to constitute a quorum. Unless twenty percent (20%) or more of the Members are present (in person or by proxy), the only matters that may be voted upon at an annual or regular meeting of the Members are those matters described in the meeting notice.

3.15 Election of Directors. Unless otherwise provided in the Articles or these Bylaws, directors are elected by a plurality of the votes cast by the Members entitled to vote in the election at a meeting at which a quorum is present.

3.16 Proxies. 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 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. An appointment of a proxy is revocable by the Member unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest.

3.17 Acceptance of Certain Documents. If the name signed on a vote, consent, waiver, or proxy appointment corresponds to the name of a Member, the Corporation, if acting in good faith, is entitled to accept such document and give it effect as the act of the Member. If the name signed on such document does not correspond to the name of a Member, the Corporation, if acting in good faith, is nevertheless entitled to accept such document and to give it effect as the act of the Member if:

(a) the Member is an entity and the name signed purports to be that of an officer or agent of the entity;

(b) the name signed purports to be that of a fiduciary representing the Member and, if the Corporation requests, evidence of fiduciary status acceptable to the Corporation has been presented with respect to such document;

(c) the name signed purports to be that of a receiver or trustee in bankruptcy of the Member and, if the Corporation requests, evidence of this status acceptable to the Corporation has been presented with respect to the document;

(d) the name signed purports to be that of a pledgee, beneficial owner or attorney-in-fact of the Member and, if the Corporation requests, evidence acceptable to the Corporation of the signatory's authority to sign for the Members has been presented with respect to such document; or

(e) two or more persons are the Member as co-tenants or fiduciaries and the

name signed purports to be the name of at least one (1) of the co-owners and the person signing appears to be acting on behalf of all the co-owners.

The Corporation is entitled to reject a document if the Secretary or other officer or agent authorized to tabulate votes, acting in good faith, has a reasonable basis for doubt about the validity of the signature on such document or about the signatory's authority to sign for the Members.

3.18 Action Without Meeting. Action required or permitted by the Act to be taken at a Members' meeting may be taken without a meeting in accordance with § 14-3-704 of the Act.

3.19 Presiding Officer and Secretary. Meetings of the Members shall be presided over by the President, or if the President is not present, by a chairman chosen by a majority of the Members entitled to vote at such meeting. The Secretary or, in his absence, an Assistant Secretary shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, a majority of the Members entitled to vote at such meeting shall choose any person present to act as secretary of the meeting.

#### **ARTICLE IV. DIRECTORS**

4.1 General Powers. The business and affairs of the Corporation shall be supervised by its Board of Directors (the "Board"), which shall exercise in the name of and on behalf of the Corporation all of the rights and privileges legally exercisable by the Corporation as a corporate entity, except as may otherwise be provided by law, the Articles, or these Bylaws. In addition, without limiting the foregoing, the Board shall be authorized and empowered:

(a) to employ such persons as in its opinion are needed for the administration of the Corporation and to pay reasonable compensation for services and expenses thereof;

(b) to receive, accept, administer, invest and distribute on behalf of the Corporation property gifted or bequeathed to the Corporation in accordance with the provisions set forth in these Bylaws;

(c) to make distributions of income and principal in furtherance of the Corporation's charitable purposes in such amounts and proportions as the Board, in its discretion, shall determine.

4.2 Number and Tenure. There shall be at least one (1) director of the Corporation and no more than eleven (11) directors. The Board shall be elected by the Members in accordance with Article 3. Each elected director shall hold office for a term two (2) years or until their successors have been elected and qualified, or until such director's earlier resignation, removal from office, or death.

4.3 Limited Personal Liability. No person who is or was a director of the Corporation, nor such person's heirs, executors, or administrators (hereinafter collectively

referred to for purposes of this Section as a “director”), shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director. If the Act hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation, in addition to the limitation on personal liability provided herein, shall be limited to the full extent permitted by the amended Act. Any repeal or modification of this Section shall be prospective only and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

4.4 Annual Meeting. The annual meeting of the Board shall be held within or without the State of Georgia at such time and date as shall be determined by the Board. The annual meeting shall take place in December of each year. The purpose of the annual meeting shall be to elect officers and transact such other business as may properly be brought before the meeting in accordance with the Act. If the directors and officers are not elected on the day herein designated for any annual meeting of the Board, or at any adjournment thereof, the Board shall cause a special meeting of the Board to be held as soon thereafter as may be convenient for such purpose.

4.5 Other Scheduled Meetings. Including the annual meeting, the Board shall meet regularly at least four (4) times each year at a time and place determined by the Board.

4.6 Special Meetings. Special meetings of the Board may be called by the President or at the request of any two (2) members of the Board.

4.7 Notices. Notice of the time and place of each annual or special meeting shall be given to each Director by the Secretary or by the person or persons calling such meeting. Notice of each annual and special meeting shall be given at least seven (7) days prior thereto at the directors last known address or by email. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

4.8 Quorum and Participation. A majority of the total number of directors in office shall constitute a quorum for the transaction of business at any meeting of the Board. The members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or of such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear one another; and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The Board shall be promptly furnished a copy of the minutes of the meetings of the Board.

4.9 Manner of Acting. Each director shall be entitled to one (1) vote upon any matter properly submitted for a vote to the Board. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except as may otherwise be

specifically provided by law, by the Articles, or by these Bylaws. Members of the Board absent from any meeting shall not be permitted to vote at such meeting by written proxies. The directors shall elect a Chair to preside over all meetings of the Board. If the Chair is not able to attend a meeting of the Board, then he or she shall appoint another Board member to serve as temporary Chair.

4.10 Action Without a Meeting. Any action required or permitted to be taken at a meeting by the Board, or by any committee thereof, may be taken without a meeting if all voting members of the Board or committee thereof as the case may be, consent in writing to taking such action without a meeting. If all members entitled to vote on the action shall consent in writing 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 shall be the act of the Board or committee thereof as the case may be. The action must be evidenced by one (1) or more written consents describing the action taken, signed in one (1) or more counterparts by each member entitled to vote on the action, indicating each signing member's vote or abstention on the action taken. All such written consents and actions shall be filed with the minutes of the proceedings of the Board, or committee thereof. A consent signed under this Section shall have the same force and effect as a meeting vote of the Board, or any committee thereof, and may be described as such in any document.

4.11 Vacancies. Any vacancy occurring in the Board shall be filled by the Members pursuant to Article 3. If a vacancy is not filled within ninety (90) days of the event which resulted in there being fewer directors than required by the Bylaws or Articles, any director may apply to a court having equity jurisdiction in the county in which the Corporation has its principal office to have such court appoint a sufficient number of directors so that the Corporation will have the number of directors required by its Bylaws or Articles, whichever number is greater.

4.12 Presumption of Assent. A director of the Corporation who is present at a meeting of the Board at which action on any Corporation matter is taken shall be presumed to have assented to the action taken, unless such director's dissent shall be entered in the minutes of the meeting, or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or forward such dissent by certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

4.13 Resignation. A director may resign his or her membership at any time by tendering his or her resignation in writing to the President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

4.14 Executive Director. The Board of Directors may employ an Executive Director and/or administrative staff to direct and manage all of the affairs of the Corporation. In such



direction and management, the Executive Director shall be subordinate to the Board of Directors, the Executive Committee and the President. The Board of Directors may also employ other directors of the various projects of the Corporation to work under the Executive Director. Rules and regulations, manuals and similar instruments may be used in outlining the duties, relationships and working condition of all employed personnel. When such instruments are approved or adopted by the Board, they shall be adhered to until changed by the Board. All such instruments shall be subject to change at any time by the Board.

## **ARTICLE V. OFFICERS**

5.1 Number. The Corporation shall have a President and a Secretary, each of whom shall be elected in accordance with the provisions of this Article. The Board may also elect such other officers and assistant officers as the Board may from time to time deem necessary or appropriate. Any two or more offices may be held simultaneously by the same person, except for the office of President and Secretary.

5.2 Election and Term of Office. The officers of the Corporation shall be elected annually by the Board at its annual meeting, subject to approval by a majority of the Members. Each officer shall hold office for a term of one (1) year or until his or her earlier death, resignation, or removal from office in the manner hereinafter provided. A retiring officer may succeed himself or herself.

5.3 President. The President shall be the principal executive officer of the Corporation. The President shall, when present, preside at all meetings of the Board and shall, in general, perform all of the duties, and have all of the authority, incident to the office of the chief executive officer of a corporation, and such other duties as may from time to time be prescribed by the Board. The President may sign, with the Secretary or any other proper officer thereunto authorized by the Board: deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.

5.4 Secretary. The Secretary shall keep the minutes of the proceedings of the Board 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 by law; be custodian of the corporate records and of the seal, if any, of the Corporation and see that the seal is affixed to all documents, the execution of which is duly authorized on behalf of the Corporation under its seal; keep a register of the post office address of each member of the Board, which address shall be furnished to the Secretary by each director; and in general perform all duties incident to the office of secretary and such other duties as may from time to time be assigned to him or her by the President or by the Board.

5.5 Removal. The Board may remove any officer when, in its judgment, the best interests of the Corporation will be served thereby. Such removal may be with or without cause by an affirmative vote of the majority of the Board.

5.6 Vacancies. A vacancy in any office held by a director, because of death, resignation, removal disqualification, or otherwise, may be filled by the Board.

5.7 Resignation. An officer may resign such officer's position at any time by tendering such resignation in writing to the President or, in the case of the resignation of the President, to the Secretary. A resignation shall become effective upon the date specified in such notice, or, if no date is specified, upon receipt of the resignation by the Corporation at its principal place of business.

5.8 Voting Securities. Unless otherwise ordered by the Board, the President shall have full power and authority on behalf of the Corporation to attend and to act and vote at any meetings of security holders, partnerships, or corporations in which the Corporation may hold securities, and at such meetings shall possess and may execute any and all rights and powers incident to the ownership of such securities which the Corporation might have possessed and exercised if it had been present. The Board may from time to time by a resolution confer like powers upon any other person or persons.

## **ARTICLE VI. COMMITTEES**

6.1 Standing Committees. The Board of Directors may maintain such standing committees as it may determine from time to time to be necessary or desirable for its proper functioning. Such standing committees shall have such authority as may be stipulated by the Board of Directors. The Chairman of the Board of Directors, or the Chairman's designee, shall serve on each committee as an ex-officio, non-voting, member. It is anticipated that the Standing Committees will include the following: Standards Committee, Ethics Committee, Training and Education Committee, Member Relations Committee, Legislative/Community Action Committee, Special Events Committee and Policy Committee. Chairpersons of each committee shall be elected by the Board, subject to Member approval, for a two year term at the Company's annual meeting. Standing committees may be made up of Members and non-Members, provided that non-Members may only serve in non-voting capacities. Each Committee Chair will also present a written report at the monthly meeting Board meeting, reporting the actions of said committee.

6.2 Ad Hoc Committees. The Chairman of the Board of Directors, with the approval of the Board of Directors as evidenced by resolution, may from time to time create such ad hoc committees as the Chairman believes necessary or desirable to investigate matters or advise the Board of Directors. Ad hoc committees shall limit their activities to the accomplishment of the tasks for which created and shall have no power to act except as specifically conferred by resolution of the Board of Directors. Such committees shall operate until their tasks have been accomplished or until earlier discharged by the Board of Directors.

6.3 Executive Committee. The Board of Directors may by resolution designate an Executive Committee, including the President, Vice President, the immediate Past President, Secretary, Treasurer, and delegate to such committee all the powers of the Board of Directors in the management of the affairs of the corporation between meetings of the Board. The President of the Board will serve as President of the Executive Committee to preside at its meetings. All meetings of the Executive Committee shall be called by the President or President-Elect. The Executive Committee shall function to exercise the authority of the Board when necessary between meetings except:

- (a) the power to elect or remove Board officers;
- (b) the power to amend the articles of incorporation or the by-laws;
- (c) the power to borrow funds or approve financial expenditures of major consequence;
- (d) the power to reverse full Board actions; or
- (e) any other actions prohibited under the Act.

## **ARTICLE VII.CONTRACTS, LOANS, CHECKS, DEPOSITS, INVESTMENTS**

7.1 Contracts and Employment of Agents. The Board may authorize any director, officer, or agent to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the Corporation. The Board shall be specifically authorized, in its sole discretion, to employ and to pay the compensation of such agents, accountants, custodians, experts, consultants and other counsel, legal, investment or otherwise, as the Board shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by, such individuals or entities. Such authority may be general or confined to specific instances.

7.2 Loans. No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

7.3 Checks. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Board.

7.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation with such banks, trust companies, brokerage accounts, investment managers, or other depositories as the Board may from time to time select.

7.5 Investment Authority. The Board shall be authorized to retain assets distributed to it, even though such assets may constitute an over-concentration in one or more similar

investments. Further, the Board shall have the authority to make investments in unproductive property, or to hold unproductive property to the extent necessary until it can be converted into productive property at an appropriate time, provided the retention of such property is in the best interest of the Corporation and does not in any way jeopardize the tax-exempt status of the Corporation.

7.6 Certain Restrictions on Transfers. No resolution authorizing the purchase, sale or creating of any security in real estate shall be adopted without the affirmative vote of at least two-thirds (2/3) of the Board. No conveyance or instrument creating a security interest shall be made without resolution and such resolution must specify the officers or agents to the execute the same. The full Membership of the Corporation must be notified in writing at least thirty (30) days prior to any such action of the Board.

## **ARTICLE VIII. STANDARDS OF CONDUCT**

8.1 Standards of Conduct. A Director or an officer of the Corporation shall discharge his or her duties as a Director or as an officer, including duties as a member of a committee:

- (a) in good faith;
- (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (c) in a manner he or she reasonably believes to be in the best interest of the Corporation.

8.2 Reliance on Third Parties. In discharging his or her duties, a 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 Corporation whom the Director or officer reasonably believes to be reliable and competent in the matters presented;
- (b) legal counsel, public accountants, or other persons as to matters the Director or officer reasonably believes are within the person's professional or expert competence; or
- (c) with respect to a Director, a committee of the Board of which the Director is not a member, as to matters within its jurisdiction, if the Director or officer reasonably believes the committee merits confidence.

8.3 Bad Faith. A Director or officer is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by Section 8.2 unwarranted.

8.4 No Liability. A Director or officer is not liable for any action taken, or any failure to take action, as a Director or officer, if such Director or officer performs the duties of his or her office in compliance with the provisions of this Article, or if such Director or officer is immune from suit under the Act.

8.5 No Fiduciary Duty. No Director or officer shall be deemed to be a fiduciary with respect to the Corporation or with respect to any property held or administered by the Corporation, including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

8.6 Prohibition on Loans. No loans or guarantees shall be made by the Corporation to its Directors or officers. Any Director who assents to or participates in the making of any such loan shall be liable to the Corporation for the amount of such loan until the repayment thereof.

## **ARTICLE IX. CONFLICTS OF INTEREST**

9.1 Purpose. The Corporation shall have a Conflict of Interest Policy as provided in this Article. The purpose of this Conflict of Interest Policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director 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 conflicts of interest applicable to nonprofit and charitable organizations.

9.2 Definitions.

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

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

(i) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,

(ii) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

(iii) 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.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Subsection 9.3(b) below, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### 9.3 Procedures.

(a) 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 be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

(i) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(ii) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflict of Interest Policy.

(i) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(ii) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

9.4 Records of Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

9.5 Compensation.

(a) A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

9.6 Annual Statements. Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

(a) Has received a copy of the conflicts of interest policy,

- (b) Has read and understands the policy,
- (c) Has agreed to comply with the policy, and
- (d) Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

9.7 Periodic Reviews. To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

9.8 Use of Outside Experts. When conducting the periodic reviews as provided for in Section 9.7, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.



## ARTICLE X. INDEMNIFICATION

10.1 Mandatory Indemnification. To the maximum extent permitted by the provisions of § 14-3-852 of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section 10.1 which occur subsequent to the effective date of such amendment), the Corporation shall indemnify and advance expenses to any person who is or was a director or officer of the Corporation, or to such person's heirs, executors, administrators and legal representatives, for the defense of any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to for purposes of this Article as the "Proceeding"), to which such person was, is or is threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the Proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the Proceeding, all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions:

(a) the Proceeding was instituted by reason of the fact that such person is or was a director or officer of the Corporation; and

(b) the director or officer conducted himself or herself in good faith, and he or she reasonably believed: (i) in the case of conduct in his or her official capacity with the Corporation, that his or her conduct was in its best interest; (ii) in all other cases, that his or her conduct was at least not opposed to the best interests of the Corporation; and (iii) in the case of any criminal proceeding, that he or she had no reasonable cause to believe his or her conduct was unlawful.

The termination of a Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director, or officer did not meet the standard of conduct herein described.

10.2 Permissive Indemnification. The Corporation may, to the maximum extent permitted by the provisions of § 14-3-853 of the Act, as amended from time to time (provided, however, that if an amendment to the Act in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Corporation, or to such person's heirs, executors, administrators and legal representatives, to the same extent as set forth in Section 10.1 above, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Corporation and met the standards of conduct set forth in Subsection 10.1(b) above. The Corporation also may indemnify and advance expenses

in a Proceeding to any person who is or was an employee or agent of the Corporation to the extent, consistent with public policy, as may be provided by the Articles, by these Bylaws, by contract, or by general or specific action of the Board.

10.3 Non-Exclusive Application. The rights to indemnification and advancement of expenses set forth in Sections 10.1 and 10.2 above are contractual between the Corporation and the person being indemnified, and such person's heirs, executors, administrators and legal representatives, and are not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by contract, by law, by the Articles, by a resolution of the Board, by these Bylaws, by the purchase and maintenance by the Corporation of insurance on behalf of a director, officer, employee or agent of the Corporation, or by an agreement with the Corporation providing for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized.

10.4 Non-Limiting Application. The provisions of this Article 10 shall not limit the power of the Corporation to pay or reimburse expenses incurred by a director, officer, employee or agent of the Corporation in connection with such person's appearing as a witness in a Proceeding at a time when such person has not been made a named defendant or respondent to the Proceeding.

10.5 Prohibited Indemnification. Notwithstanding any other provision of this Article 10, the Corporation shall not indemnify or advance expenses to or on behalf of any director, officer, employee or agent of the Corporation, or such person's heirs, executors, administrators or legal representatives:

- (a) if a judgment or other final adjudication adverse to such person establishes such person's liability for any breach of the duty of loyalty to the Corporation, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (b) in connection with a Proceeding by or in the right of the Corporation in which such person was adjudged liable to the Corporation; or
- (c) in connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in his or her official capacity, in which such person was adjudged liable on the basis that personal benefit was improperly received by him or her.

10.6 Repeal or Modification Not Retroactive. No repeal or modification of the provisions of this Article 10, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

## **ARTICLE XI. NOTICES AND WAIVER OF NOTICE**

The notices provided for in these Bylaws shall be communicated in person, by telephone, facsimile, mail, private carrier or electronic transmission. Whenever any notice is required to be given to any Director, officer or committee member of the Corporation under the provisions of these Bylaws, the Articles, or the 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 XII. AMENDMENTS**

12.1 By Members. These Bylaws and the Articles may be altered, amended, or repealed, and a new Articles or new Bylaws adopted, at any annual or special meeting of the Members where a quorum is present, provided that the notice of such meeting shall state that the purpose, or one (1) of the purposes, of the meeting is to amend the Bylaws and/or the Articles and shall also contain a description of the amendment to be considered. An amendment to these Bylaws and the Articles must be approved by the Members by the lesser of: (a) two-thirds (2/3) of the votes cast, or (b) a majority of the total number of votes entitled to be cast. These Bylaws and the Articles may also be amended by the Members without a meeting in the same manner as provided therefore herein, except that such action to amend must be by: (a) two-thirds (2/3) of the votes cast, or (b) a majority of the total number of votes entitled to be cast, whichever is less.

12.2 Limitation on Amendment. No alteration, amendment, or repeal shall be made to the extent that such alteration, amendment, or repeal is inconsistent with the purposes of the Corporation as set forth in the Articles. No amendment shall authorize the Board to conduct the affairs of the Corporation in any manner or for any purpose contrary to the provisions of § 501(c)(6) of the Code, as now in force or hereafter amended, nor shall any amendment authorize distributions for purposes other than those set forth in Section 2.1 hereto and in the Articles.

## **ARTICLE XIII. EXEMPT STATUS**

The Corporation has been organized and will be operated exclusively for exempt purposes within the meaning of § 501(c)(6) of the Code and, as such, will be exempt from taxation under § 501(a) of the Code. Any provision of these Bylaws or of the Articles which would in any manner adversely affect the Corporation's tax exempt status shall be void and shall be deleted or modified as necessary to comply with all applicable federal and state requirements for the maintenance of the Corporation's tax exempt status.

Adopted: \_\_\_\_\_, 2017