

**BYLAWS**  
**OF**  
**INDIANA AUCTIONEERS ASSOCIATION, INC.**

Approved September, 2016 Effective: January 1, 2017 Revised: Sept. 9, 2019

**ARTICLE I – MEMBERSHIP**

**SECTION 1 - MEMBERSHIP ELIGIBILITY.** Any (i) natural person; (ii) firm; (iii) association; (iv) corporation; (v) business trust; (vi) partnership; or (vii) limited liability company (collectively the “Person”) that resides in or does business in the State of Indiana is eligible to become a Member of the Indiana Auctioneers Association, Inc. (the “Association”). No Person may hold more than one (1) membership. Unless required by law or otherwise provided in these Bylaws, and unless allowed in writing by the Board of Directors (the “Board”), no membership, and no right or privilege associated with membership, may be sold, purchased, assigned, or otherwise transferred.

**SECTION 2 – MEMBERSHIP PROCEDURE.** Any Person seeking to become a Member (the “Applicant”) shall complete a written membership application provided by the Association in which the Applicant agrees, in writing, to:

- A. Comply with all applicable law and legally binding agreements regarding the Association, including, but not limited to, the Association's Articles of Incorporation (the “Articles”), these Bylaws, and any policy, resolution, action, or amendment adopted by the Board (collectively the “Governing Documents”); and
- B. At amounts determined by the Board, and in a manner specified by the Association, pay the Association membership dues, assessments, fees, or other amounts required by these Bylaws or the law.

**SECTION 3 –AUTOMATIC MEMBERSHIP.** The Board of Directors approves the qualifications of membership into the IAA. An Applicant automatically becomes a member (a “Member”) of the Association upon completing the membership procedure as set forth in these Bylaws to the Association's satisfaction. The Board may refuse the Applicant membership in the Association for good cause or upon a determination by the Board that an Applicant is unable to comply with the Governing Documents, in which event the Association shall return to the Applicant any amounts paid to the Association by the Applicant as part of the membership procedure other than outstanding amounts previously owed the Association, and any associated interest or late payment charges.

**SECTION 4 - MEMBER CLASSES.** There shall be three (3) classes of Members of the Association (the “Member Classes”) as follows:

- A. Active Members. Any natural person who is a licensed auctioneer pursuant to the requirements of the Indiana Code and is in good standing with all state, federal, and local auctioneer licensing authorities OR; Any natural person who: is not a licensed auctioneer pursuant to the requirements of the Indiana code, engaged in the auction

business, has an interest in the auction industry and is in agreement with the Governing Documents and the objective of the Association. (an “Active Member”).

- B. Auxiliary Member. Any supporter of an auctioneer (who belongs to the Indiana Auctioneers Association) who pays Auxiliary membership dues is eligible for membership (an “Auxiliary Member”).
- C. Honorary Life Member. Any Person designated by the Board as such in recognition of any outstanding service rendered for or on behalf of the Association or the auction industry (a “Honorary Life Member”). An Honorary Life Member who otherwise qualifies as an Active Member shall be considered as an Active Member under these Bylaws.

All members of the Association at the time of adoption of these Bylaws, who were continuous members in good standing for the twenty-four (24) month period immediately preceding the adoption of these Bylaws, shall become Active Members at the time of adoption of these Bylaws and thereafter until such time as they are suspended or terminated as provided in these Bylaws.

**SECTION 5 - MEMBERSHIP CERTIFICATES**. The Association may issue membership certificates to each Member in a manner, method, and form determined by the Board not contrary to, or inconsistent with, the Articles or these Bylaws.

**SECTION 6 - MEMBER SUSPENSION**. The Association may suspend Members as provided in this Bylaw and allowed by law.

- A. Suspension Reasons. The Association may suspend a Member: (i) if the Member fails to timely pay any amounts due the Association; (ii) if the Member fails to timely comply with the Governing Documents; (iii) if the Member dies, legally dissolves, or legally ceases to exist; (iv) if the Member voluntarily requests suspension; (v) if the Member brings discredit to the auctioneering profession; (vi) if recommended by any grievance committee or other similar body established by the Board pursuant to these Bylaws; or (vii) as otherwise provided in these Bylaws, or for other good cause determined by the Board (collectively the “Suspension Reason”).
- B. Notice and Comment. Upon a Member's voluntary request for suspension, or if the Association, following the occurrence of a Suspension Reason other than a Member's voluntary request for suspension: (i) provides the Member at least fifteen (15) days prior written notice of the Member's possible suspension and the underlying Suspension Reason; and (ii) notifies the Member that the Member has, and allows the Member, at least five (5) days after the effective date of the notice to comment upon the Suspension Reason, either orally or in writing, then unless otherwise determined by the Board in good faith, the Member is suspended.
- C. Effect of Member Suspension Upon Association. Upon a Member's suspension, the Association may cease providing any Association service to the Member and the

Association's duties, obligations, and liabilities imposed by these Bylaws for the Member cease.

- D. Effect of Member Suspension Upon Member. A suspended Member forfeits and relinquishes all rights provided in the Governing Documents. In particular, a suspended Member forfeits and relinquishes any voting rights provided by these Bylaws. A suspended Member, however, remains subject to all obligations imposed by the Governing Documents.
- E. Lifting of Suspension. Unless otherwise determined by the Board in good faith, a Member's suspension is automatically lifted upon the Member rectifying, to the Association's reasonable satisfaction, the underlying Suspension Reason within ten (10) days of the suspension. The Board may lift any Member suspension for good cause as determined by the Board.

**SECTION 7 – MEMBER TERMINATION.** Upon approval by the Board in good faith, and as allowed by law, a suspended Member is terminated. Termination of a Member does not release the former Member from any debts, liabilities, or obligations owed the Association. Upon a Member's termination from the Association, and after deducting any amounts owed the Association, the Association shall return to the Member any amounts authorized by the Board and generally returned to terminated Members and any membership fee, or prorata portion thereof, paid by the Member.

**SECTION 8 – MEMBERSHIP LIST.** The Association, or the Association's agent, shall maintain a record of current Members in a form permitting the Association to: (i) alphabetically list, by Member Classes, the names and addresses of all Members (the "Membership List"); (ii) indicate the number of votes each Member is entitled to cast; and (iii) upon five (5) business days' prior written notice or request and at a reasonable time and location specified by the Association, allow a Member, upon paying a reasonable charge determined by the Association to cover the Association's labor and material cost of preparing and copying the Membership List, to inspect and copy the names and addresses included in the Membership List. Without the Board's consent, however, a Member may not inspect, copy, or receive a copy of, the names and addresses included in the Membership List for any purpose unrelated to the Member's interest as a Member. Likewise, without the Board's consent, the names and addresses included in the Membership List may not be sold to, or purchased by, any Person.

**SECTION 9 – INDEMNIFICATION.** As requested by the Board, each Member shall indemnify the Association for, and hold the Association harmless from, any expenses, costs, liabilities, or damages, including reasonable attorney fees and legal expenses, incurred by the Association, or by any Association Director, Officer, employee, agent, representative, or contractor, because of any property damage, personal injury, or death resulting from the Member's negligence or failure to comply with the Governing Documents.

**SECTION 10 – MEMBER LIABILITY.** A Member is not liable to third parties for the Association's acts, debts, liabilities, or obligations.

## **ARTICLE II - MEMBER MEETINGS AND MEMBER VOTING**

**SECTION 1 – ANNUAL AND REGULAR ACTIVE MEMBER MEETINGS.** In a location in Indiana, the Association: (i) shall annually hold a meeting of Active Members (the “Annual Active Member Meeting”); and (ii) may regularly hold meetings of Active Members (the “Regular Active Member Meeting”). The Board shall determine the date, time, and location of any Annual Active Member Meeting or Regular Active Member Meeting (collectively an “Active Member Meeting”).

**SECTION 2 – SPECIAL ACTIVE MEMBER MEETINGS.** The Association shall hold a special meeting of Active Members at a date, time, and location located in Indiana, determined by the Board (the “Special Active Member Meeting”) upon the Association receiving: (i) a written or oral request from the Board or President; (ii) a written request signed by at least one-third (1/3) of the Directors currently in office; or (iii) petitions signed and dated by at least ten percent (10%) of the Association's total current non-suspended Active Members (the “Total Active Membership”) requesting, and describing the purpose of, a special meeting of Active Members (an “Active Member Demand”).

**SECTION 3 – PERMITTED ACTIVE MEMBER ACTION AT ACTIVE MEMBER MEETINGS.** At any Special Active Member Meeting, Active Members may consider, vote, or act only upon a matter for which: (i) unless otherwise provided in these Bylaws, the Board and Active Members were notified properly; (ii) the Active Members are authorized to consider, vote, or act; and (iii) for a Special Active Member Meeting, the notice of the Special Active Member Meeting properly described. Active Members may not raise any matter at an Annual Active Member Meeting unless said matter has been properly placed upon the agenda as provided by these Bylaws.

**SECTION 4 – NOTICE OF ACTIVE MEMBER MEETINGS.** As directed by the President, Secretary, or any Officer or Active Member properly calling an Active Member Meeting, the Association shall deliver written notice of the Active Member Meeting: (i) by accepted forms of communication (personally, by mail or electronically); (ii) to all Active Members entitled to vote at the Active Member Meeting; (iii) indicating the date, time, and location of the Active Member Meeting; (iv) at least ten (10) but no more than sixty (60) days prior to the Active Member Meeting; (v) for any Annual Active Member Meeting or Regular Active Member Meeting, describing any matter to be considered, or voted or acted upon, at the Annual Active Member Meeting or Regular Active Member Meeting; and (vi) for any Special Active Member Meeting, stating the purpose of, and describing any matter to be considered, or voted or acted upon, at the Special Active Member Meeting.

If mailed, notice of an Active Member Meeting is delivered when deposited in the United States Mail in a sealed envelope with prepaid postage affixed and addressed to a Active Member at the Active Member's address shown on the Membership List or as otherwise provided in these Bylaws. The inadvertent and unintended failure of any Active Member to receive notice of any Active Member Meeting shall not affect any action taken at the Active Member Meeting.

**SECTION 5 – RECORD DATE.** The Board may fix a date for determining the Total Active Membership (the “Record Date”) and the Active Members entitled to: (i) notice of an Active

Member Meeting; and (ii) vote at an Active Member Meeting. Respectively, no Board determined Record Date may be more than seventy (70) days prior to the date of the Active Member Meeting. Unless otherwise fixed by the Board, the Record Date for determining the Total Active Membership and the Active Members entitled to: (i) notice of an Active Member Meeting is the close of business on the business day preceding the day the Association notifies Active Members of the Active Member Meeting; and (ii) vote at a Active Member Meeting is the date of the Active Member Meeting.

The Record Date for determining the Total Active Membership and the Active Members entitled to sign a Active Member Demand is the close of business on the thirtieth (30th) day prior to the Association's receipt of Active Member Demands. The Record Date for determining the Total Active Membership and the Active Members entitled to notice of, or to vote at, a Active Member Meeting is effective for any Active Member Meeting adjourned to a date not more than seventy (70) days following the Record Date for determining the Total Active Membership and the Active Members entitled to notice of the original Active Member Meeting.

**SECTION 6 – ACTIVE MEMBER MEETING LIST.** After fixing the Record Date for determining the Active Members entitled to notice of a Active Member Meeting, and through the Active Member Meeting, the Association shall prepare, update, and maintain an alphabetical list (the “Active Member Meeting List”) indicating: (i) Active Members entitled to notice of, and to vote at, the Active Member Meeting; and (ii) the name of and address of each Active Member listed.

**SECTION 7 – ACTIVE MEMBER WAIVER OF NOTICE.** An Active Member may waive notice of an Active Member Meeting, or waive notice of any matter to be considered, or voted or acted upon, at an Active Member Meeting, by signing and delivering to the Association a written waiver of notice (a “Active Member Meeting Waiver of Notice”) either prior to the Active Member Meeting, or within thirty (30) days following the Active Member Meeting.

Unless an Active Member objects to holding, or to transacting business at, an Active Member Meeting, an Active Member's attendance in person at an Active Member Meeting waives the Active Member's objection to lack of notice, or to defective notice, of the Active Member Meeting. Unless an Active Member objects to considering a matter at an Active Member Meeting, an Active Member's attendance in person at the Active Member Meeting waives the Active Member's objection to considering, or voting or acting upon, the matter at the Active Member Meeting.

**SECTION 8 – ACTIVE MEMBER QUORUM.** A quorum of Active Members is two percent (2%) of the Total Active Membership (an “Active Member Quorum”).

**SECTION 9 – ACTIVE MEMBER VOTING.** Upon presenting identification or proof of being an Active Member as reasonably required by the Association, each non-suspended Active Member may cast one (1) vote on any matter for which the Active Member is entitled to vote. Auxiliary Members shall not be entitled to vote.

- A. Absentee Voting. If an Active Member in good standing will not be able to attend the annual membership meeting, they may obtain an IAA’s official absentee ballot.

Absentee ballots must be postmarked fifteen (15) days prior to the Annual Active Member Meeting. Return envelopes must contain a member's name and Indiana auctioneer license number on the outside front of the envelope in order to be valid. All ballots must be complete. Absentee ballots will not be opened until the Annual Active Member Meeting at the Convention. Upon opening the ballots, the ballot will be void if not filled out completely.

Members who have voted by absentee ballot and determine they wish to vote in person must notify the Election Committee the morning of the election prior to the closing of the election area. The Election Committee will identify the appropriate ballot by the member's name and Indiana auction license number and then must destroy the absentee ballot prior to giving the member a new ballot.

**SECTION 10—ACTIVE MEMBER VOTING BY ACTIVE MEMBER PROXY.** An Active Member may not appoint another Active Member (an “Active Member Proxy”) to vote, or otherwise act, on any matter for the Active Member. The Association shall not accept votes on any matter taken by an Active Member Proxy on an Active Member's behalf as the Active Member's vote.

**SECTION 11—ACCEPTING AND REJECTING ACTIVE MEMBER VOTING DOCUMENTS.** Regarding any Active Member Meeting Waiver of Notice, Active Member Meeting Written Ballot, or other document allegedly executed by, or on behalf of, an Active Member (collectively, “Active Member Voting Document”):

- A. Acceptance. The Association may accept, and give effect to, the Active Member Voting Document if: (i) the name signed on the Active Member Voting Document corresponds to an Active Member's name; and (ii) the Association in good faith or the Association reasonably believes the Active Member Voting Document is valid and authorized.
- B. Rejection. The Association may reject, and not give effect to, the Active Member Voting Document if the Association: (i) acts in good faith; and (ii) has reasonable basis for doubting the validity of the signature on the Active Member Voting Document or the signatory's authority to sign on behalf of the Active Member.
- C. Liability. Neither the Association, nor any Active Member, Director, Officer, employee, or agent, is liable to any Active Member for accepting or rejecting an Active Member Voting Document as provided in this Bylaw.

**SECTION 12—ACTIVE MEMBER MEETING ORDER OF BUSINESS.** The Board shall determine the agenda and order of business for Active Member Meetings.

## **ARTICLE III - BOARD OF DIRECTORS**

**SECTION 1 — BOARD.** The Association shall have a Board consisting of seven (7) natural persons (each a “Director”), consisting of the Required Officers, the immediate Past President, and three (3) elected from the Total Active Membership elected by the Active Members. Except as otherwise provided by law, the Articles, or these Bylaws, all Association powers must be exercised by the Board, or under the Board's authority; and all Association affairs must be managed under the Board's direction. To the extent the law, the Articles, or these Bylaws authorize any Person to exercise any power that the Board would otherwise exercise, the Person exercising the power has, and is subject to, the same duties, responsibilities, and standards of care of the Board.

**SECTION 2 – DIRECTOR QUALIFICATIONS.** Any Director or Director candidate must comply with this Bylaw.

- A. General Director Qualifications. A Director or Director candidate must be: (i) a natural person; (ii) have the capacity to enter legally binding contracts; (iii) while a Director, and during the five (5) years immediately prior to becoming a Director, not be, nor have been, convicted of a felony; or plead, nor have pled, guilty to a felony; (iv) unless excused for good cause by the Board or Active Members, attend at least one-half (½) of all Board Meetings during any fiscal year; and (v) comply with any other reasonable qualifications determined by the Board (collectively the “General Director Qualifications”).
- B. Membership Director Qualifications. While a Director, and during the one (1) year immediately prior to becoming a Director, a Director or Director candidate must be an Active Member in good standing (the “Membership Director Qualifications”).
- C. Continuing Director Qualifications. Only natural persons complying with the General Director Qualifications and the Membership Director Qualifications (collectively the “Director Qualifications”) may serve, or continue to serve, as a Director. After being elected or appointed a Director, if any Director fails to comply with any Director Qualification, as reasonably determined by the Board, then the Board is authorized to remove the Director. If at least a majority of Directors authorized by these Bylaws comply with the Director Qualifications and approve a Board action, then the failure of any Director to comply with all Director Qualifications does not affect the Board action.

**SECTION 3 – DIRECTOR NOMINATIONS.** Unless otherwise provided in these Bylaws, prior to electing Directors:

- A. Candidate Interview Committee. The President shall appoint a Committee consisting of at least three (3) Active Members consisting of (1) Past President, (1) Executive Board Member and (1) At Large Active Member (the “Candidate Interview Committee”).

Prior to the Active Member Meeting at which members are scheduled to elect Directors, the Candidate Interview Committee shall interview in person all potential Director Candidates, as well as candidates for Vice President and Treasurer, who have made their intentions known at least ninety (90) days prior to the Active Member Meeting for the purpose of recommending the Director Candidates and Vice President and Treasurer candidates to the Board of Directors and general membership.

- B. Notice of Director Nominations. At the Active Member Meeting at which Active Members are scheduled to elect Directors, the Association shall notify Active Members of the: (i) Director positions for which Active Members are scheduled to vote; (ii) names and corresponding Director positions of all who have made themselves known as Director Candidates to the Candidate Interview Committee.

**SECTION 4 – DIRECTOR ELECTIONS.** Active Members shall annually elect Directors: (i) for new Director positions or for Director positions for which the incumbent Director's Director Term is expiring; (ii) from the Candidate Interview Committee's list; (iii) at the Annual Active Member Meeting or other properly called Active Member Meeting; and (iv) by a plurality of the votes cast with a Active Member Quorum of Active Members entitled to vote for the Director position present in person.

**SECTION 5 – DIRECTOR TERMS.** A Director elected by the Active Members according to these Bylaws has a term of three (3) years while all those who are Directors due to their status as being a Required Officer have a term of one (1) year (a "Director Term"). The Association shall stagger Director Terms of those Directors elected by the Active Members by dividing the total number of elected Directors into groups of approximately equal number. Active Members, therefore, will annually elect an approximately equal number of Directors. Decreasing the number of Directors or length of Director Terms may not shorten an incumbent Director's Director Term. Despite the expiration of a Director Term, the Director continues to serve until a new Director is elected, or until the number of Directors is decreased. Unless otherwise provided in these Bylaws, the Director Term of a Director filling a vacant Director's position is the remaining unexpired Director Term of the vacant Director's position.

**SECTION 6 – DIRECTOR RESIGNATION.** A Director may resign at any time by delivering written notice of resignation to the Board, President, or Secretary. Unless the written notice of resignation specifies a later effective date, a Director's resignation is effective upon the Board, President, or Secretary receiving the written notice of resignation. If a Director's resignation is effective at a later date, and if the successor Director does not take office until the effective date of the Director's resignation, then the pending Director vacancy may be filled before the effective date of the Director's resignation. Resignation as a Director shall also be deemed as a resignation as a Required Officer.



**SECTION 7 – DIRECTOR REMOVAL.** Regarding any Director:

- A. Director Removal Petition. As provided in this Bylaw, Active Members may request the removal of one (1) or more Directors for any reason. For each Director for whom removal is requested, Active Members shall deliver to the President or Secretary a dated written petition (a “Director Removal Petition”): (i) identifying the Director; (ii) explaining the basis for requesting the Director's removal; and (iii) as Active Members existed on the Director Removal Petition date, containing the printed names, printed addresses, and original and dated signatures obtained within sixty (60) days of the Director Removal Petition date, of at least ten percent (10%) of the Active Members entitled to elect the Director.

At the next Annual Board Meeting or Special Board Meeting following the President or Secretary receiving a Director Removal Petition, the Association shall forward a copy of the Director Removal Petition to the implicated Director and the Board shall meet to review the Director Removal Petition.

- B. Active Member Meeting. If the Board determines that the Director Removal Petition complies with this Bylaw, then the Association shall notice and hold an Active Member Meeting within sixty (60) days following the Board's determination. Notice of the Active Member Meeting must state that: (i) a purpose of the Active Member Meeting is to consider removing a Director; (ii) evidence may be presented, and a Active Member vote taken, regarding removing the Director; and (iii) if an elected Director, Active Members may elect a successor Director.

If an Active Member Quorum of Active Members entitled to vote for the Director is present at the Active Member Meeting, then for the Director named in each Director Removal Petition: (i) prior to any Active Member vote, evidence must be presented supporting the basis for removing the Director; (ii) the Director may be represented by legal counsel, and must have the opportunity to refute, and present evidence opposing, the basis for removing the Director; and (iii) following the Director's presentation, and following Active Member discussion, the Active Members entitled to vote for the Director must vote whether to remove the Director.

If a number sufficient to elect the Director at an Active Member Meeting of Active Members present and entitled to vote for the Director vote to remove the Director, then the Director is removed effective the time and date of the Active Member vote. At the Active Member Meeting, the Active Members entitled to vote for the Director may elect a new Director, if an elected Director is removed, to succeed the removed Director without complying with the Director nomination or notice provisions of these Bylaws. Neither a Director Removal Petition or Director removal affects any Board action. No Director may be removed for lawfully opposing or resisting any Transfer of Association Assets, or any Association dissolution.

**SECTION 8 – DIRECTOR VACANCY.** Unless otherwise provided in these Bylaws, by the affirmative vote of a majority of the remaining Directors, the Board shall fill any vacant Director position, including any vacant Director position resulting from increasing the number of Directors. If a new Director does not take office until a Director vacancy occurs, then the Board may fill any Director vacancy that will occur at a later specified date before the vacancy occurs.

**SECTION 9 – DIRECTOR COMPENSATION.** As allowed by law and the Articles, the Association may specify a fair remuneration for the time actually spent by its Directors in the performance of their duties and provide that the remuneration be paid to the Directors. The Directors are entitled to reimbursement for expenses incurred in the performance of their duties whether or not these Bylaws provide that they be remunerated for their time spent in the performance of those duties.

**SECTION 10 – DIRECTOR CONDUCT.** Unless modified or prohibited by law:

- A. Director Standard of Conduct. A Director shall discharge the Director's duties, including duties as a Board Committee member: (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the Director reasonably believes to be in the Association's best interests.
  
- B. Director Reliance on Others. Unless a Director possesses knowledge concerning a matter making reliance unwarranted, then in discharging a Director's duties, including duties as a Board Committee member, a Director may rely upon information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by:
  - 1. One (1) or more Association Officers or employees whom the Director reasonably believes to be reliable and competent in the matters prepared or presented;
  - 2. Legal counsel, public accountants, or other individuals regarding matters the Director reasonably believes are within the individual's professional or expert competence; and
  - 3. If the Director reasonably believes a Board Committee of which the Director is not a member merits confidence, then the Board Committee regarding matters within the Board Committee's jurisdiction.
  
- C. Director Liability. If a Director complies with this Bylaw, then the Director is not liable to the Association, any Member, or any other individual or entity for action taken, or not taken, as a Director. No Director is deemed a trustee regarding the Association or any property held or administered by the Association, including without limit, property potentially subject to restrictions imposed by the property's donor or transferor.

## **ARTICLE IV - BOARD MEETINGS AND DIRECTOR VOTING**

**SECTION 1 – ANNUAL BOARD MEETINGS.** The Board shall meet annually at its earliest convenience following the Annual Active Member Meeting (an “Annual Board Meeting”). Unless otherwise required by these Bylaws, the Board may hold Annual Board Meetings without notice. For good cause, the President may change the date, time, or location of any Annual Board Meeting upon at least two (2) days written notice before the changed Annual Board Meeting.

**SECTION 2 – SPECIAL BOARD MEETINGS.** The Board, the President, or at least five (5) Directors may call a special meeting of the Board (a “Special Board Meeting”) by providing each Director at least fourteen (14) business days' prior written notice indicating the date, time, and location and purpose of the Special Board Meeting.

**SECTION 3 – CONDUCT OF BOARD MEETINGS.** Unless otherwise provided in these Bylaws, any Annual Board Meeting or Special Board Meeting (a “Board Meeting”) may be: (i) held in, or out of, the State of Indiana; and (ii) conducted with absent Directors participating, and deemed present in person, through any means of communication by which all Directors participating in the Board Meeting may simultaneously hear each other during the Board Meeting.

If a Director Quorum is present at any Board Meeting, then: (i) in descending priority, the following Officers may preside at the Board Meeting: President, President-elect, Vice-President, Secretary-Treasurer; and (ii) if no Officer is present, or desires, to preside over any Board Meeting, then the Directors attending the Board Meeting shall elect a Director to preside over the Board Meeting.

**SECTION 4 – WAIVER OF BOARD MEETING NOTICE.** At any time, a Director may waive notice of any Board Meeting by delivering to the Association a written waiver of notice signed by the Director and later filed with the Board Meeting minutes or the Association's records. Unless a Director:

- A. Upon arriving at a Board Meeting or prior to the vote on a particular matter, objects to lack of, or defective, notice of the Board Meeting or a matter being considered at the Board Meeting; and
- B. Does not vote for, or assent to, an objected matter;

then the Director's attendance at, or participation in, a Board Meeting waives notice of the Board Meeting and any matter considered at the Board Meeting.

**SECTION 5 – BOARD ACTION BY WRITTEN CONSENT.** Without a Board Meeting, the Board may take any action required, or permitted, to be taken at a Board Meeting if the action is: (i) taken by all Directors; and (ii) evidenced by one (1), or more, written consents (a “Director Written Consent”) describing the action taken, signed by each Director, and included with the Association's Board Meeting minutes. Unless the Director Written Consent specifies a different effective date, action taken by Director Written Consent is effective when the last Director signs the Director Written Consent. A Director Written Consent has the effect of, and may be described as, a Board Meeting vote.

**SECTION 6 – DIRECTOR QUORUM AND VOTING.** A quorum of Directors is a majority of the Directors in office immediately before a Board Meeting begins (a “Director Quorum”). If a Director Quorum is present at the time a matter is voted or acted upon, and unless the vote of a greater number of Directors is required, then the affirmative vote of a majority of Directors present is the act of the Board.

**SECTION 7 – COMMITTEES.** The Board may create committees of the Board (the “Board Committees”) and appoint Directors to serve on the Board Committees. Each Board Committee must consist of two (2) or more Directors, and serves at the Board's discretion. The Board may create committees of the Members (the “Member Committees”) and appoint Members, including Directors, to serve on the Member Committees.

- A. Creation and Appointment of Committees. Except as otherwise provided in these Bylaws, at least a majority of Directors currently in office must approve the: (i) creation of any Board Committee or Member Committee; (ii) appointment of Directors to any Board Committee; and (iii) appointment of Members to any Member Committee.
- B. Conduct of Committee Meetings. To the same extent as the Board and Directors, the Bylaws entitled “Annual Board Meetings”, “Special Board Meetings”, “Conduct of Board Meetings”, “Waiver of Board Meeting Notice”, “Board Action by Written Consent”, and “Director Quorum and Voting” apply to Board Committees and Directors serving on Board Committees, and to Member Committees and Members serving on Member Committees.
- C. Committee Authority. Except as prohibited or limited by law, the Articles, or this Bylaw, the Board may authorize a Board Committee to exercise Board authority. Although a Board Committee may recommend, a Board Committee may not act, to: (i) approve the Association's dissolution or merger, or the sale, pledge, or Transfer of all, or substantially all, Association Assets; (iii) elect, appoint, or remove Directors, or fill any Board or Board Committee vacancy; or (iv) adopt, amend, or repeal these Bylaws.

Member Committees may act as specified by the Board, but may not exercise Board authority.

## **ARTICLE V - OFFICERS**

**SECTION 1 – REQUIRED OFFICERS.** The Association must have the following officers: President, Vice-President, and Treasurer (the “Required Officers”). Only Active Members may be elected, and serve, as a Required Officer. Only members of the Board may be elected, and serve, as a Required Officer, except the Vice-President and Treasurer may or may not be from the Board.

The Vice-President shall be chosen annually by a majority vote of the membership at a regular meeting or any special meeting called by the Board of Directors. The Treasurer shall be chosen every two (2) years by a majority vote of the membership at a regular meeting or any special meeting called by the Board of Directors. At the time the newly elected Vice President takes office, the current Vice President shall become the new President.

The Governance Committee shall seek and recommend a slate of candidates for the position of Vice President and Treasurer to the Candidate Interview Committee. Elections shall be held for each office, and the nominee receiving the highest number of the votes cast shall be elected. Each officer shall hold office until a successor shall have been duly chosen and qualified, or until death, or until he shall resign, or shall have been removed in the manner hereinafter provided. Any officer or agent provided for in this section need not be a Director of the Association. The same person may occupy, simultaneously, any two or more offices, as the Board of Directors shall deem expedient, except President. All officers shall be, at all times, Association members in good standing.

**SECTION 2 – PRESIDENT.** Unless otherwise determined by the Board , and unless otherwise required by law, the Articles, or these Bylaws, the President: (i) shall preside, or designate another individual to preside, at all Board and Member Meetings; (ii) on the Association's behalf, may sign any document properly authorized or approved by the Board or Members; and (iii) shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board or Members.

**SECTION 3 – VICE-PRESIDENT.** Unless otherwise determined by the Board, and unless otherwise required by law, the Articles, or these Bylaws, the Vice-President: (i) upon the President's death, absence, disability, or inability to act, shall perform the duties, and have the powers, of the President; and (ii) shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

**SECTION 4 – TREASURER.** Unless otherwise determined by the Board, and unless otherwise required by law, the Articles, or these Bylaws, the Treasurer: (i) shall be responsible for authenticating the Association's records; (ii) report the Association's financials to the general membership at the annual membership meeting, (iii) receive and review financials on a monthly basis, (iv) assist in the annual budget planning, and (v) shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

**SECTION 5 – OTHER OFFICERS.** The Board may elect or appoint other officers (the “Other Officers”), including the office of Secretary, which shall be responsible for the minutes of the Association. Other Officers: (i) may be Directors, Association employees, or other individuals; (ii) must be elected or appointed by the affirmative vote of a majority of current Directors; (iii) may be elected by secret written ballot and without prior nomination; (iv) may assist Required Officers; and (v) shall perform all duties, shall have all responsibilities, and may exercise all authority, prescribed by the Board. The same individual may simultaneously hold more than one (1) office. Unless allowed by law, however, this individual may not execute, acknowledge, or verify any document in more than one (1) capacity.

**SECTION 6 – OFFICER RESIGNATION AND REMOVAL.** At any time, any Required Officer or Other Officer (collectively “Officer” or “Association Officer”) may resign by delivering to the Board a written resignation. Unless the resignation specifies a later effective date (but in no event later than the end of that Officer’s normal term), an Officer resignation is effective when received by the Board. If an Officer resignation is effective at a later date, then the Board may fill the vacant Officer position before the later effective date, but the successor Officer may not take office until the later effective date. At any time, the Board may remove any Officer for any reason, with cause, such as but not limited to, failure to comply with the law or the Governing Documents or not acting in the Association’s best interests as determined by the Board. Resignation as a Required Officer shall also be deemed as a resignation as a Director.

**SECTION 7 – OFFICER STANDARD OF CONDUCT.** Every Officer shall discharge the Officer’s duties: (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the Officer reasonably believes to be in the Association’s best interests.

**SECTION 8 – OFFICER CONTRACT RIGHTS.** The election or appointment of any Officer, by itself, does not create a contract between the Association and the Officer. An Officer’s resignation does not affect the Association’s contract rights, if any, with the Officer.

**SECTION 9 – AUTHORITY TO EXECUTE DOCUMENTS.** On the Association’s behalf, any Officer may sign, execute, and acknowledge any document properly authorized or approved by the Board or Members. The Board may authorize additional Association Directors, Officers, employees, agents, or representatives to sign, execute, and acknowledge any document on the Association’s behalf.

**SECTION 10 – OFFICER COMPENSATION.** Unless otherwise provided in a Bylaw addressing Director compensation, reimbursement, or provision of benefits, and as determined by the Board, the Board may reasonably compensate, reimburse, or provide benefits to, any Officer.

**SECTION 11 – BONDS.** At the Association’s expense, the Association may purchase a bond covering any Director, Officer, employee, agent, or representative.

**SECTION 12 – INDEMNIFICATION.** As allowed by law and the Articles, and as determined by the Board, the Association shall indemnify:

- A. An individual who is, or was, a Director or Officer; (collectively the “Indemnification Director or Officer”)
- B. Who was wholly successful, on the merits or otherwise, in defending any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative, and whether formal or informal (an “Indemnification Proceeding”)
- C. To which the Indemnification Director or Officer was, is, or is threatened to be made a named defendant or respondent (an “Indemnification Party”)
- D. Because the Indemnification Director or Officer is, or was, a Director or Officer
- E. Against reasonable expenses, including counsel fees, (an “Indemnification Expense”) actually incurred by the Indemnification Director or Officer in connection with the Indemnification Proceeding.

**SECTION 13 – INSURANCE.** Regardless of any indemnification authority or requirements, the Association may purchase and maintain insurance on behalf of any individual arising from the individual's status, as a Director, Officer, employee, agent, or representative against: (i) any liability, including judgment, settlement, or otherwise; or (ii) reasonable expenses, including reasonable attorney fees.

## **ARTICLE VI - ASSOCIATION OPERATION**

**SECTION 1 – NON-PROFIT AND ASSOCIATION OPERATION.** The Association: (i) must operate on a non-profit basis; (ii) must operate on a association basis for the mutual benefit of all Members; and (iii) notwithstanding any other provision of these By-Laws, the Association shall not carry on any other activities not permitted to be carried on (a) by an Association exempt from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by an Association, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

**SECTION 2 - ACCOUNTING SYSTEM AND REPORTS.** The Board shall cause to be established and maintained a complete accounting system. The Board shall also within thirty (30) days after the close of each fiscal year, appoint a committee, as determined by the Board, who shall cause to be made a full and complete audit of the accounts, books and financial condition of the Association as of the end of such fiscal year. Such audit reports may be submitted to the Active Members at the following Annual Active Member Meeting.

## **ARTICLE VII - DISPOSITION OF ASSOCIATION ASSETS**

**SECTION 1 – TRANSFER OF ASSOCIATION ASSETS.** Except for any sale, lease, exchange, or other disposition (a “Transfer”) of any Association property or Association asset (an “Asset”): (i) to secure

indebtedness; (ii) pursuant to condemnation or threat of condemnation; (iii) pursuant to an existing legal obligation; or (iv) associated with a Consolidation or Merger; the Association shall not Transfer, during any twelve (12) month period all or substantially all of the Association's Assets unless:

- A. The Board appoints three (3) independent appraisers, each of whom, within a reasonable time, evaluates the Association's Assets and renders an appraisal valuing the Association's Assets (“Appraisal”);
- B. Within a reasonable time of receiving the Appraisals, the Association invites all other associations primarily located within the same state as, or within a state adjacent to, the state in which the Association is primarily located to submit proposals to acquire the Association's Assets specified in the Transfer, or to Merge or Consolidate with the Association;
- C. The Board approves the Transfer;
- D. At least a majority of the Total Active Membership approves the Transfer; and
- E. Notice of any Active Member Meeting at which Active Members will consider the Transfer states that one (1) of the purposes of the Active Member Meeting is to consider the Transfer, and includes a copy or summary of the Transfer.

Unless otherwise determined by the Active Members, after the Active Members approve a Transfer, the Board may abandon the Transfer. To secure indebtedness, the Board may Transfer, mortgage, pledge, dedicate to repayment, or encumber any Association Asset.

**SECTION 2 – MERGER OR CONSOLIDATION.** In a manner determined by the Board that is consistent with this Bylaw, the Association may consolidate or merge with any other entity (“Consolidate or Merge”).

- A. Board Approval. The Board must approve an agreement or plan to Consolidate or Merge (a “Consolidation or Merger Agreement”) stating the: (i) terms and conditions of the Consolidation or Merger; (ii) name of each entity Consolidating or Merging with the Association; (iii) name of the new or surviving Consolidated or Merged entity (the “New Entity”); (iv) manner and basis, if any, of converting memberships, or ownership rights, of each Consolidating or Merging entity into memberships or ownership rights of, or payments from, the New Entity; (v) number of directors of the New Entity, which must equal or exceed five (5); (vi) date of the New Entity's annual meeting; (vii) names of New Entity directors who will serve until the New Entity's first annual meeting; and (viii) any other information required by law.
- B. Member Approval. After the Board approves a Consolidation or Merger Agreement, two-thirds (2/3) of the Total Active Membership present and voting in person must approve the Consolidation or Merger Agreement.



- C. Notice. The Association shall notify Directors of any Board Meeting, and Active Members of any Active Member Meeting, at which Directors or Active Members may consider a Consolidation or Merger Agreement. This notice, and any material soliciting Active Member approval of the Consolidation or Merger Agreement must contain, or be accompanied by, a summary or copy of the Consolidation or Merger Agreement and the New Entity's articles of incorporation and bylaws and any provision which would require Director or Member approval if contained in a proposed Articles or Bylaws Amendment.
- D. Other Requirements. The New Entity directors named in the Consolidation or Merger Agreement must sign and file articles of Consolidation or Merger in a manner, and stating the information, required by law. The Association shall comply with all other requirements for Consolidation or Merger specified by law. After a Consolidation or Merger Agreement is approved, and before articles of Consolidation or Merger are filed, the Board or Members may abandon the Consolidation or Merger.

**SECTION 3 – DISTRIBUTION OF ASSOCIATION ASSETS UPON DISSOLUTION.** Upon the voluntary or involuntary dissolution of the Association, the Association shall, after paying or making provision for payment of all of the liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Association shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court of the Indiana County of the Association's main office exclusively for such purposes or to such organization or organizations, as said Court shall determine, which organization organized and operated exclusively for such purposes.

## **ARTICLE VIII - MISCELLANEOUS**

**SECTION 1 – BYLAW AMENDMENTS.** Unless otherwise provided in these Bylaws, these Bylaws may be adopted, amended, or repealed by the affirmative vote of not less than two-thirds (2/3) of current Directors at any regular or special meeting of the Board, of which meeting notice is given with said notice indicating notice of any said adoption, amendment, or repeal.

**SECTION 2 – RULES OF ORDER.** All Active Member Meetings, Board Meetings, Active Member Committee meeting, and Board Committee meetings shall be governed by the latest edition of *Robert's Rules of Order* to the extent consistent with the law, the Articles, and these Bylaws, unless the Board determines otherwise.

**SECTION 3 – FISCAL YEAR.** The Board shall determine, and may modify, the Association's fiscal year.

**SECTION 4 – NOTICE.** Unless otherwise provided in these Bylaws, notice may be oral or written; and communicated in person, by telephone, telegraph, teletype, facsimile, electronic communication, or by mail or private carrier. If the above-listed forms of communicating notice are impractical, then by newspaper of general circulation in the area where published, radio, television, or other form of public broadcast communication.

If addressed, or delivered, to an address shown in the Membership List, then a written notice or report delivered as part of a newsletter, magazine, or other publication regularly sent to Members constitutes a written notice or report to all Members residing at the address or having the same address shown in the Membership List. Written notice is correctly addressed to a Member if addressed to the Member's address shown in the Membership List.

If communicated in a comprehensible manner, then unless otherwise provided in these Bylaws, oral notice is effective when communicated and written notice is effective upon the earliest of:

- A. When received;
- B. With the postmark evidencing deposit in the United States Mail, if correctly addressed and (i) mailed with first class postage affixed, then five (5) days after deposit in the United States Mail; or (ii) mailed with other than first class, registered, or certified postage affixed, then thirty (30) days after deposit in the United States Mail; or
- C. If sent by registered or certified mail, return receipt requested, and if the return receipt is signed by, or on behalf of, the addressee, then on the date indicated on the return receipt.

**SECTION 5 – GOVERNING LAW.** These Bylaws must be governed by, and interpreted under, the laws of the State of Indiana.

**SECTION 6 – TITLES AND HEADINGS.** All titles and headings of Bylaw articles, sections, and sub-sections are for convenience and reference only, and do not affect the interpretation of any Bylaw article, section, or sub-section.

**SECTION 7 – PARTIAL INVALIDITY.** When reasonably possible, every Bylaw article, section, sub-section, paragraph, sentence, clause, or provision (collectively a “Bylaw Provision”) must be interpreted in a manner by which the Bylaw Provision is valid. The invalidation of any Bylaw Provision by any entity possessing proper jurisdiction and authority, which does not alter the fundamental rights, duties, and relationship between the Association and Members, does not invalidate the remaining Bylaw Provisions.

**SECTION 8 – CUMULATIVE REMEDIES.** The rights and remedies provided in these Bylaws are cumulative. The Association or any Member asserting any right or remedy provided in these Bylaws does not preclude the Association or Member from asserting other rights or remedies provided in these Bylaws.

**SECTION 9 – ENTIRE AGREEMENT.** Between the Association and any Member, the Governing Documents constitute the entire agreement and supersede and replace any prior or contemporaneous oral or written communication or representation.

**SECTION 10 – SUCCESSORS AND ASSIGNS.** To the extent allowed by law, the duties, obligations, and liabilities imposed upon the Association or any Member by these Bylaws are binding upon the successors and assigns of the Association or Member; and the rights granted to the Association by these Bylaws inure to the benefit of the Association's successors and assigns.

**SECTION 11 – WAIVER.** The failure of the Association or any Member to assert any right or remedy provided in these Bylaws does not waive the right or remedy provided in these Bylaws.

**SECTION 12 – LACK OF NOTICE.** To the extent allowed by law and the Articles, the failure of any Member or Director to receive notice of any Meeting, action, or vote does not affect, or invalidate, any action or vote taken by the Members or Board.

**SECTION 13 - MEMBERSHIP IN OTHER ORGANIZATIONS.** The Association may become a member of or purchase stock in any other organizations.

**SECTION 14 - SEAL.** Since a corporate seal is no longer necessary in the State of Indiana, the Directors have elected to not employ such a seal at this time.

## **ARTICLE IX - DEFINITIONS**

**SECTION 1 - DEFINED TERMS.** These Bylaws define certain words and phrases within Bylaw sections (“Defined Terms”). Defined Terms are:

- A. Capitalized and enclosed within parenthesis and quotation marks following the Defined Term’s definition; and
- B. Capitalized when otherwise used in these Bylaws.

Unless the context requires otherwise, Defined Terms have the meaning specified in the appropriate Bylaw section. The following Defined Terms are defined in the following Bylaw sections:

Active Member .....	Bylaw Article I, Section 4
Active Member Demand .....	Bylaw Article II, Section 2
Active Member Meeting .....	Bylaw Article II, Section 1
Active Member Meeting List .....	Bylaw Article II, Section 6
Active Member Meeting Waiver of Notice .....	Bylaw Article II, Section 7
Active Member Meeting Written Ballot .....	Bylaw Article II, Section 9
Active Member Proxy .....	Bylaw Article II, Section 10
Active Member Quorum .....	Bylaw Article II, Section 8
Annual Active Member Meeting .....	Bylaw Article II, Section 1

Annual Board Meeting .....	Bylaw Article IV, Section 1
Active Member Voting Document .....	Bylaw Article II, Section 11
Applicant .....	Bylaw Article I, Section 2
Appraisal .....	Bylaw Article VII, Section 1
Articles .....	Bylaw Article I, Section 2
Asset .....	Bylaw Article VII, Section 1
Association .....	Bylaw Article I, Section 1
Association Officer .....	Bylaw Article V, Section 5
Auxiliary Member .....	Bylaw Article I, Section 4
Board .....	Bylaw Article I, Section 1
Board Committees .....	Bylaw Article IV, Section 7
Board Meeting .....	Bylaw Article IV, Section 2
Bylaw Provision .....	Bylaw Article VIII, Section 7
Consolidate or Merge .....	Bylaw Article VII, Section 2
Consolidation or Merger Agreement .....	Bylaw Article VII, Section 2
Defined Terms .....	Bylaw Article X, Section 1
Director .....	Bylaw Article III, Section 1
Director Qualifications .....	Bylaw Article III, Section 2
Director Quorum .....	Bylaw Article IV, Section 6
Director Removal Petition .....	Bylaw Article III, Section 7
Director Term .....	Bylaw Article III, Section 5
Director Written Consent .....	Bylaw Article IV, Section 5
Floor Nomination .....	Bylaw Article III, Section 3
General Director Qualifications .....	Bylaw Article III, Section 2
Governing Documents .....	Bylaw Article I, Section 2
Honorary Life Member .....	Bylaw Article I, Section 4
Indemnification Director or Officer .....	Bylaw Article V, Section 12
Indemnification Expense .....	Bylaw Article V, Section 12
Indemnification Party .....	Bylaw Article V, Section 12
Indemnification Proceeding .....	Bylaw Article V, Section 12
Member .....	Bylaw Article I, Section 3
Member Classes .....	Bylaw Article I, Section 4
Member Committees .....	Bylaw Article IV, Section 7
Membership Director Qualifications .....	Bylaw Article III, Section 2
Membership List .....	Bylaw Article I, Section 7
New Entity .....	Bylaw Article VII, Section 2
Nominating Committee .....	Bylaw Article III, Section 3
Nominating Committee Nominations .....	Bylaw Article III, Section 3
Officer .....	Bylaw Article V, Section 6
Other Officers .....	Bylaw Article V, Section 5
Person .....	Bylaw Article I, Section 1
Record Date .....	Bylaw Article II, Section 5
Regular Active Member Meeting .....	Bylaw Article II, Section 1
Required Officers .....	Bylaw Article V, Section 1
Special Active Member Meeting .....	Bylaw Article II, Section 2
Special Board Meeting .....	Bylaw Article IV, Section 2

Suspension Reason .....Bylaw Article I, Section 6  
Total Active Membership ..... Bylaw Article II, Section 2  
Transfer ..... Bylaw Article VII, Section 1

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