

# THIRD AMENDED AND RESTATED

## BYLAWS

### OF

## MGMA-ACMPE

(as approved by the Board of Directors of MGMA-ACMPE on August 5, 2014;  
effective as of August 5, 2014).

### BACKGROUND

Medical Group Management Association (“MGMA”) was established as a Colorado nonprofit corporation on September 19, 1964 and has operated since such time as a professional association and business league within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, (the “Code”) to improve the performance of medical group practice professionals and the organizations they represent.

American College of Medical Practice Executives (“ACMPE”) was established as a Colorado nonprofit corporation on April 24, 1975 to develop and administer, a program to promote the highest educational standards and professional proficiency in medical group practice administration for the benefit of the profession and general public within the meaning of Section 501(c)(6) of the Code.

In 2011, MGMA and ACMPE merged the entities and their operations into a new joint enterprise, MGMA-ACMPE (the “Association”). Accordingly, MGMA-ACMPE was organized and formed as a Colorado nonprofit corporation on June 15, 2011 as an association of medical group practice professionals and a business league within the meaning of Section 501(c)(6) of the Code of 1986, to continually improve the performance of medical group practice professionals and the organizations they represent, including but not limited to promoting the highest educational standards and professional proficiency in medical group practice administration for the benefit of the profession and the general public.

In response to changed business circumstances the Board of Directors of the Association (the “Board”) has deemed it necessary to amend and restate the Association’s Bylaws and by resolution adopted as of \_\_\_\_\_, 2014, these Third Amended and Restated Bylaws were duly adopted to replace in their entirety the Amended and Restated Bylaws of the Association.

### **Article 1** **Offices**

Section 1.1 Registered Agent. The registered agent of the Association in the State of Colorado shall be as designated by the Board of Directors of the Association from time to time in accordance with the provisions of the Colorado Revised Nonprofit Corporation Act (the “Act”).

Section 1.2 Offices. The Association may establish and maintain such offices at such places of business either within or outside the State of Colorado as the Board of Directors may from time to time determine.

## **Article 2 Membership**

Section 2.1 Categories of Membership. The Association shall have six (6) categories of members who meet such eligibility criteria as may be established by the Board from time to time: Individual; Student; Faculty; Honorary; Distinguished, and Life. The Association may choose to further define/revise such categories of membership and/or establish a category of group membership which, if established, shall be effectuated by an amendment to these Bylaws adopted in accordance with Section 12.2 hereof.

Section 2.2 Individual Membership. Except as otherwise specified in this Article 2, an Individual member is (i) a person who has applied and been accepted for membership and who has an interest in the mission/purpose of the Association, or (ii) a person who was, as of January 1, 2012, either (a) an Individual member of MGMA; (b) a Fellow of ACMPE; (c) a Certified Member of ACMPE; or (d) a Nominee of ACMPE.

Section 2.3 Student Membership. A Student member is (i) a person who has applied and been accepted for membership and who is a full-time student according to the guidelines of his/her college or university, or (ii) a person who was a Student member of MGMA as of January 1, 2012 and continues to be a full-time student according to the guidelines of his/her college or university or (iii) a person who has been otherwise deemed to be a Student member by the Association based on consideration of other factors in the Association's sole discretion.

Section 2.4 Faculty Membership. A Faculty member is (i) a person who has applied and been accepted for membership and who is a full-time faculty teaching business or healthcare administration at an accredited college or university, or (ii) a person who was a Faculty member of MGMA as of January 1, 2012.

Section 2.5 Honorary Membership. An Honorary member is (i) a person who is not otherwise a member of the Association but who has rendered outstanding service to the Association or to the medical group management profession and is deemed worthy of this distinction, or (ii) a person who was, as of January 1, 2012, either (a) an Honorary member of MGMA; or (b) an Honorary Fellow of ACMPE. Honorary Members shall be designated by the Board from among written nominations submitted to the Board.

Section 2.6 Distinguished Membership. A Distinguished member is (i) a member who has demonstrated outstanding service and commitment to the Association and to the medical group management profession while a member of the Association or (ii) a person who was, as of January 1, 2012, either (a) a Distinguished member of MGMA; or (b) a Distinguished Fellow of ACMPE. Nominations for Distinguished membership shall be submitted in writing to the Board for its review and approval. A variety of factors shall be considered by the Board, such as active participation in the Association, participation on the local or State level and service on committees of the Association and its related organizations.

Section 2.7 Life Membership. A Life member is (i) a person who has been a member of the Association for at least twenty (20) years (with membership in MGMA or ACMPE prior to the merger of such entities into the Association being included for purposes of such calculation) and is no longer associated with the health care industry in an administrative, consultative, service or sales capacity, or (ii) a person who was, as of January 1, 2012, either (a) a Life member of MGMA, (b) a Life Fellow of ACMPE or (c) a Life Certified Member of ACMPE.

Section 2.8 Voting Privileges. Dues-paying and Distinguished members have the privilege of voting in person or by proxy, on specified Association matters, namely the election of Directors elected by the voting members and any other matter requiring membership approval under the Act, the Articles of Incorporation or these Bylaws. Each voting member shall be entitled to one vote on all matters that he/she is entitled to vote on. All other members are non-voting members. No non-voting members as such shall have the right to vote for the election of Directors or otherwise participate in the management of the Association.

Section 2.9 Membership Dues and Benefits. The dues investment and benefits for each category of membership shall be determined from time to time by the Board.

Section 2.10 Designations. Individual members, Honorary members Distinguished Members and Life members who have been awarded the designation “CMPE” or “FACMPE” shall be entitled to use said designations in such manner as the Association determines is appropriate.

### **Article 3 Meetings of Members**

Section 3.1 Annual Meeting. The annual meeting of voting members for electing Directors and transacting other business will generally be held at the Annual Conference of the Association at such time and place as may be designated by the Board in a resolution and set forth in the notice of the meeting; such annual meeting will generally be held in October of each year.

Section 3.2 Special Meetings. Special meetings of the voting members may be called by the Board and shall be called by the Board and/or the President/Chief Executive Officer upon the written request of voting members having at least three percent (3%) of the votes entitled to be cast at such meetings. Notice to the voting members shall state the purpose or purposes of the special meeting. Business transacted at any special meeting of members shall be limited to the purposes stated in the notice thereof.

Section 3.3 Place of Meeting. All members’ meetings shall be held at such place, within or without the State of Colorado as shall be fixed from time to time by resolution of the Board. To promote maximum participation of voting members on matters of significance to the Association, the Board, in its discretion may, from time to time, permit members to participate in any meeting through the use of any means of communication by which all persons participating in the meeting may hear each other during the meeting.

Section 3.4 Notice of Meetings. Written notice stating the place, day and hour of the meeting and, in case of a special meeting or if required by the Act, the purpose or purposes for which the meeting is called, shall be delivered no fewer than ten days nor more than fifty days before the date of the meeting, either personally, by mail or private carrier, or by facsimile, electronic transmission or any other form of wire or wireless communication, by or at the direction of the officer or person calling the meeting, to each member entitled to vote at the meeting. If mailed, such notice shall be deemed given at the earliest of (i) the date received; or (ii) five days after deposit in the United States mail, addressed to each member at such member’s address as it appears in the records of the Association, with first class postage thereon prepaid. If delivered by private carrier, such notice is deemed given one day after deposit with the carrier. If transmitted by facsimile, electronic transmission or other form of wire or wireless communication, such notice shall be deemed to be given when the transmission is complete. If the foregoing methods of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published.

Section 3.5 Waiver of Notice. Whenever any notice is required to be given under the provisions of the Act, the Articles of Incorporation, or these Bylaws, a waiver thereof in writing signed by the member entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice. Such waiver shall be delivered to the Association for filing with the corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver. Attendance of a member at or participation in a meeting waives any required notice to that member unless at the beginning of the meeting or promptly upon his/her later arrival, the member objects to holding the meeting or transacting business at the meeting because of a lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting or if special notice was required of a particular purpose, the member objects to transacting business with respect to the purpose for which such special notice was required and does not thereafter vote for or assent to action taken at the meeting with respect to such purpose.

Section 3.6 Organization. Meetings of the members shall be presided over by the Chair of the Board or, if the Chair of the Board is not present, by the Vice Chair of the Board or by the President/Chief Executive Officer. The Finance/Audit Chair of the Association, or designee, shall act as secretary for every meeting.

Section 3.7 Voting. Except as otherwise specifically provided by the Articles of Incorporation, these Bylaws or the Act, all matters, other than the election of multiple Directors, coming before any meeting of voting members at which a quorum exists shall be decided by a vote of the majority of the votes validly cast. In the election of multiple Directors, that number of candidates equaling the number of Directors to be elected, having the highest number of votes cast in favor of their election are elected to the Board. The vote upon any question shall be conducted by any method included in the notice of the meeting or otherwise approved at the meeting.

Section 3.8 Proxies. Voting members of the Association may vote by proxy on all matters subject to vote of the membership at the annual meeting, or any special meetings of the membership. Such proxy shall be delivered to the Association before or at the time of the meeting in any manner permitted by C.R.S. Section 7-127-203, as amended. In addition, the Board, in its discretion, may provide that all members shall receive proxy forms in advance of any matter to be voted upon by the membership at any annual or special meeting of the membership.

Section 3.9 Quorum. Except as otherwise required by the Act or the Articles of Incorporation, at any meeting of the members, the members present in person or by proxy who are entitled to vote at the meeting shall be sufficient to constitute a quorum for the transaction of business. If less than a quorum of members is represented at a meeting, a majority of the members so represented may adjourn the meeting from time to time for a period not to exceed sixty days at any one adjournment without further notice other than an announcement at the meeting. At such adjourned meeting, at which a quorum shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 3.10 Action by Written Ballot. Action by written ballot may be taken as provided in the Act. A written ballot may not be revoked.

## **Article 4 Board of Directors**

Section 4.1 Composition, Nomination and Qualifications of Board of Directors.

(a) Number of Directors. The management of the affairs of the Association shall be vested in a Board elected in accordance with the provisions hereto. The Board shall be composed

of fourteen (14) to eighteen (18) voting directors (“Directors”) as provided herein. In addition, the President/Chief Executive Officer of the Association shall serve as ex officio non-voting Director.

(b) Board Composition.

- (1) The Board shall be composed of the following: the officers of the Association (namely, the Chair of the Board, the Vice Chair of the Board, the Immediate Past Chair of the Board, the Finance/Audit Chair and the Finance/Audit Vice Chair); the President/Chief Executive Officer and 9-13 at-large positions as determined by the Board. The officer positions shall be filled as provided in Article 6. The at-large positions shall be nominated as provided in this Section 4.1(b)(3) and Section 8.3, and shall be elected by the voting Members.
- (2) At least 75% of the Directors must be persons who have obtained a CMPE or FACMPE designation with at least 50% of such 75% number having obtained a FACMPE designation.
- (3) Candidates for the Director positions other than the officer positions shall be nominated in accordance with such policies and procedures as may be approved by the Board from time to time. Candidates for all Director positions must be members in good standing with the Association, and meet such other qualifications as are provided in such policies and procedures as may be approved by the Board from time to time. In addition, there shall be in effect a process for nomination of candidates for the at-large Director positions by petition, pursuant to such procedures as shall be established by the Board from time to time and made available to voting members. Notwithstanding the foregoing, in no event shall such procedures require the signature of more than 1% of the eligible voting members of the Association in order to nominate a petition candidate for an at-large Director position.

Section 4.2 Role of the Board of Directors. The role of the Board shall include the following:

(a) Basic Function. The Board shall have the ultimate responsibility for the affairs of the Association and to make policy on behalf of the membership of the Association. The Board may exercise all such lawful powers of the Association and do all such lawful acts that are not by statute or by the Articles of Incorporation required to be exercised by the members of the Association.

(b) Duties, Responsibilities and Authority. The duties, responsibilities and authority of the Board shall include the following:

- (1) Adopt policies that in the case of issues external to the affairs of the Association represent the public position of the Association and on issues of internal affairs provide guidance to the staff and organizational components of the Association.
- (2) Implement a continuous strategic planning process encompassing the vision, mission, values and goals of the Association.

- (3) Define organizational measures of success and track key performance indicators.
- (4) Adopt an annual operating and capital budget incorporating the business planning processes of the Association with attention to both immediate and long-range needs and opportunities. The Board shall require and review an annual audit of the Association.
- (5) Select and employ the President/Chief Executive Officer who shall administer the executive office of the Association under the direction of the Board.
- (6) Delegate responsibility for management of the Association and for implementation of Association policy to the President/Chief Executive Officer and senior management staff.
- (7) Appoint committees of the Board and other advisory groups of Members as deemed appropriate.
- (8) Conduct an annual assessment of its own performance.

Section 4.3 Role of Individual Directors. The role of individual members of the Board shall include the following:

(a) Basic Function. The Board has been empowered by the membership to guide and direct the Association through policy formulation and to monitor the performance of the Association. Individuals elected to Board positions become stewards of membership trust and have an obligation to act responsibly in carrying out the duties of the position to which they were elected.

(b) Duties, Responsibilities and Authority. The duties, responsibilities and authority of the individual Directors shall include the following:

- (1) Act in a fiduciary capacity for the Association with specific legal and fiscal responsibilities for the proper conduct of Association business.
- (2) Consider the impact of the decisions of the Board on the membership of the Association and its related entities.
- (3) Communicate ideas constructively and in a professional manner.
- (4) Understand and be prepared to explain the rationale of any decision made by the Board.
- (5) Attend and fully participate in Board meetings and Board functions.
- (6) Develop the proper foundation for decision-making by studying all Board materials and participating in discussion on issues affecting Association business.
- (7) Participate in the monitoring of prevailing concerns of the membership and assure that any significant concerns or suggestions are brought to the

attention of the Chair of the Board or the President/Chief Executive Officer for inclusion in the Board agenda.

- (8) Participate in establishing Association policy, delegating responsibility for management of the Association and implementation of Association policy to the President/Chief Executive Officer and senior management staff.
- (9) Utilize the strategic plan and business plan of the Association as a guide in making decisions.
- (10) Listen to all points of view or requested action and remain open and positive in communications with other Directors, Association members and staff, and forward appropriate requested action to the Executive Committee for consideration and/or action.
- (11) Fully comport with the Association's conflicts of interest policy, as it may be amended from time to time.

Section 4.4 Term. The term of Directors elected by the membership shall be three (3) years and such term shall commence at the end of the applicable Annual Conference of the Association and continue until such Director's successor shall have been elected and qualified, or until such Director's earlier death, resignation or removal. Directors elected by the membership may serve for a maximum of two (2) terms, which may be served consecutively. In the event a Director is appointed to fill an unexpired term and the appointment is for a period of eighteen (18) months or more, then the service of the appointed Director shall be considered a term for purposes of the two-term limitation. Appointment to fill an unexpired term for a period of less than eighteen (18) months shall not be considered a term for purposes of such two-term limitation. Neither service as a Director of either ACMPE or MGMA prior to January 1, 2012 nor service as an initial Director of MGMA-ACMPE shall be considered a term for the purpose of such two-term limitation. The officers who serve as Directors shall serve such terms as are set forth in Article 6. Each person who serves as a Director in an ex officio capacity shall serve so long as such person continues to serve in such office or capacity.

Section 4.5 Vacancies. If a Director who has been elected for an at-large position is elected to the position of Vice Chair of the Board or Finance/Audit Vice Chair, such election shall create a vacancy in the position for which such Director was originally elected. Except as provided in Section 6.10, any vacancy occurring in the Board shall be filled by appointment of the Board, taking into consideration recommendations from the Executive Committee, of a person who meets the applicable qualifications for the vacant Board seat; such appointment shall be for the unexpired term of the Director originally elected.

Section 4.6 Resignations. Any Director may resign at any time by mailing or delivering written notice of such resignation to the Chair of the Board. Any such resignation shall take effect at the time specified therein or if no time be specified, then at the time of receipt thereof.

## **Article 5 Meetings of Directors**

Section 5.1 Regular Meetings. The Board from time to time may provide by resolution for the holding of regular meetings and fix the time and place of such meetings. The Board shall meet at least three (3) times during each Association fiscal year.

Section 5.2 Special Meetings. Special meetings of the Board may be called by either Chair of the Board, the Vice Chair of the Board, or by the President/Chief Executive Officer with at least two (2) days notice to each Director specifying the time and form of the meeting, and shall be called by such officers in like manner and on like notice on the written request of six (6) or more Directors. The time and form of the meeting must be calculated to reasonably provide an opportunity for Directors to attend the meeting. The form of the meeting may include meeting in person or by telephone conference call, or other forms calculated to provide a convenient meeting forum.

Section 5.3 Notice of Special Meetings. Notice of a special meeting shall be given to every Director at least two (2) days prior to such meeting, stating the date, time and place of the meeting. Unless required by law, the notice need not describe the purpose of the meeting. Notice may be given orally to each Director, personally or by telephone, facsimile, electronic mail or other form of wire or wireless communication, first class mail, or private delivery service. The method of notice must be calculated to reasonably deliver actual notice to each Director.

Section 5.4 Waiver of Notice. A Director may waive notice of any meeting before or after the time and date of the meeting stated in the notice. Except as otherwise provided in this Section 5.4, the waiver shall be in writing and signed by the Director entitled to the notice. Such waiver shall be delivered to the Association for filing with the corporate records, but such delivery and filing shall not be conditions to the effectiveness of the waiver. A Director's attendance at or participation in a meeting waives any required notice to that Director of the meeting unless: (i) at the beginning of the meeting or promptly upon the Director's later arrival, the Director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting; or (ii) if special notice was required of a particular purpose pursuant to the Act or these Bylaws, the Director objects to transacting business with respect to the purpose for which such special notice was required and does not thereafter vote for or assent to action taken at the meeting with respect to such purpose.

Section 5.5 Quorum and Voting. At all meetings of the Board a majority of the voting Directors in office shall constitute a quorum for the transaction of business, and, except as may be otherwise specifically provided by the Act or by the Articles of Incorporation or by these Bylaws, the act of a majority of the voting Directors present at any meeting at which there is a quorum shall be the act of the Board. In the absence of a quorum the Directors present thereat may adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum be present.

Section 5.6 Action by Directors Without Meeting.

(a) The actions set forth in subsection (b) of this Section may be taken without a Board meeting, if notice in accordance with the provisions set forth in subsection (d) below is transmitted in writing to each Director and every Director, in writing, either:

- (1) Votes for such action; or
- (2) (I) Votes against such action or abstains from voting; and  
(II) Waives the right to demand that action not be taken without a meeting.

(b) The actions which require each Director to take written action pursuant to subsection (a) of this Section are:

- (1) Amendment of the Bylaws of the Association;

- (2) Recommendation to the members of the Association as to the amendment of the Articles of Incorporation of the Association;
- (3) Approval of or recommendation to the members of the Association regarding the merger, consolidation, or dissolution of the Association;
- (4) Sale or disposition of any interest in real property belonging to the Association;
- (5) Approval of any annual budget (operating or capital) of the Association;
- (6) Employment or termination of employment of the President/Chief Executive Officer of the Association; and
- (7) Appointment of persons to fill any vacancies in the Board pursuant to Section 4.5 of the Bylaws.

(c) Any action other than those specified in subsection (b) above, which may be taken at a Board meeting, may be taken without a meeting, if notice in accordance with the provisions set forth in subsection (d) below, is transmitted in writing to each Director and each Director, by the time stated in the notice:

- (1) Votes in writing for such action; or
- (2) Votes in writing against such action, abstains in writing from voting, or fails to respond or vote; and
- (3) Fails to demand that action not be taken without a meeting.

(d) The notice required by subsections (a) and (c) of this Section shall state: (i) the action to be taken; (ii) the time by which a Director must respond; and (iii) any other matters the Association determines to include. The notice required by subsection (c) of this Section shall also state that failure to respond by the time stated in the notice will have the same effect as abstaining in writing by the time stated in the notice and failing to demand in writing by the time stated in the notice that action not be taken without a meeting. The Board may in its discretion adopt guidelines from time to time regarding the deadline for any such response(s) by a Director.

(e) Action is taken under this Section only if, at the end of the time stated in the notice transmitted pursuant to subsection (a) or (c) of this Section, as the case may be, or, if earlier, upon the effective date of such action as determined under subsection (h) of this Section:

- (1) The affirmative votes in writing for such action received by the Association and not revoked pursuant to subsection (g) of this Section equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the voting Directors then in office were present and voted; and
- (2) The Association has not received a written demand by a voting Director that such action not be taken without a meeting, other than a demand that has been revoked pursuant to subsection (g) of this Section.

(f) In the case of action taken pursuant to subsection (a) of this Section, a Director's right to demand that action not be taken without a meeting shall be deemed to have been waived if the Association receives a writing satisfying the requirements of subsection (a) of this Section that has been signed by the Director and not revoked pursuant to subsection (g) of this Section. In the case of action taken pursuant to subsection (c) of this Section, a Director's right to demand that action not be taken without a meeting shall be deemed to have been waived unless the Association receives such demand from the Director in writing by the time stated in the notice transmitted pursuant to subsection (c) of this Section, and such demand has not been revoked pursuant to subsection (g) of this Section.

(g) Any Director who in writing has voted, abstained, or demanded action not be taken without a meeting pursuant to this Section may revoke such vote, abstention, or demand in writing received by the Association: (i) in the case of action taken pursuant to subsection (a) of this Section before the last writing necessary to effect the action is received by the Association, or (ii) in the case of action taken pursuant to subsection (c) of this Section, by the time stated in the notice transmitted pursuant to subsection (c) of this Section.

(h) Action taken pursuant to subsection (a) of this Section shall be effective when the last writing necessary to effect the action is received by the Association, unless the writings describing the action taken set forth a different date. Unless the notice transmitted pursuant to subsection (c) of this Section states a different effective date, action taken pursuant to subsection (c) of this Section shall be effective at the end of the time stated in such notice.

(i) A writing by a Director under this Section shall be in a form sufficient to inform the Association of the identity of the Director, the vote, abstention, demand, or revocation of the Director, and the proposed action to which such vote, abstention, demand, or revocation relates. Unless otherwise provided by the Bylaws, all communications under this Section may be transmitted or received by the Association by electronically transmitted facsimile, e-mail or other form of wire or wireless communication. For purposes of this Section, communications to the Association are not effective until received.

(j) Action taken pursuant to this Section has the same effect as action taken at a meeting of the Board and may be described as such in any document.

(k) All writings made pursuant to this Section shall be filed with the minutes of the meetings of the Board.

Section 5.7 Meetings by Conference Telephone. Any Director may participate in a meeting of the Board by conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute the presence of such person at such meeting.

Section 5.8 Deemed Assent. A Director of the Association who is present at a meeting of the Board when corporate action is taken is deemed to have assented to all action taken at the meeting unless (i) the Director objects at the beginning of the meeting, or promptly upon the Director's arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting; or (ii) the Director contemporaneously requests that the Director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or (iii) the Director causes written notice of the Director's dissent or abstention as to any specific action to be received by the presiding officer of the meeting before the adjournment thereof or by the Association promptly after the adjournment of the

meeting. Such right of dissension or abstention is not available to a Director who votes in favor of the action taken.

## **Article 6 Officers**

Section 6.1 Composition and Selection. The officers of the Association shall be Chair of the Board, Vice Chair of the Board, Immediate Past Chair of the Board, Finance/Audit Chair, Finance/Audit Vice Chair and President/Chief Executive Officer. The Vice Chair of the Board and the Finance/Audit Vice Chair shall be elected by the Board from among the candidates recommended by the Nominating Committee and/or nominated from the floor by members of the Board, in each case pursuant to procedures established by the Board from time to time. Candidates for all officer positions must be existing Directors and shall have served at least twelve (12) months as a Director of MGMA-ACMPE to qualify before commencing service as an officer. Except as otherwise provided, all such officers shall be elected annually by the Board and shall take office immediately following the next annual meeting of the membership. The remaining officers, other than President/Chief Executive Officer, shall assume their positions based on completion of their respective terms of service in another officer position, as set forth in this Article 6. The President/Chief Executive Officer shall be appointed by the Board. The Board may elect and appoint such other assistant officers and agents as may be deemed necessary and prescribe their respective authorities and duties.

Section 6.2 Chair of the Board. The position of Chair of the Board shall be described as follows:

(a) Basic Function. The Chair of the Board is the highest ranking elected officer of the Association. The Chair of the Board shall exercise personal leadership in the motivation of other officers, Directors, and membership, and influence the establishment of goals and objectives for the Association during the applicable term of the Chair. The Chair of the Board shall act as a spokesperson and leader for the Association, working in partnership with the President/Chief Executive Officer.

(b) Duties, Responsibilities and Authority. The duties, responsibilities and authority of the Chair of the Board shall include the following:

- (1) Serve as Chair of the Executive Committee and Chair of the Board of the Association, Chair of the Board of Directors of the ACMPE Scholarship Fund Inc., Chair of the Board of Directors of MGMA Center for Research and Chair of the Board of Directors of MGMA Realty Corp.
- (2) Exercise general supervision and evaluation of the work and activities of the Board, Executive Committee and other Association committees, and assume primary responsibility to oversee annual performance evaluation of the President/Chief Executive Officer, to set and approve the President/Chief Executive Officer's Compensation and develop with the President/Chief Executive Officer performance goals for the President/Chief Executive Officer.

(c) Term. Each Chair of the Board shall serve a one-year term, and shall automatically assume the position of Immediate Past Chair of the Board upon completion of his/her term of office as Chair of the Board.

Section 6.3 Vice Chair of the Board. The position of Vice Chair of the Board shall be described as follows:

(a) Basic Function. The Vice Chair of the Board is the second highest ranking elected officer of the Association. The Vice Chair of the Board shall perform the duties and exercise the powers of the Chair of the Board in the absence or incapacity of the Chair of the Board.

(b) Duties, Responsibilities and Authority. The duties, responsibilities and authority of the Vice Chair of the Board shall include the following:

- (1) Perform the duties and exercise the powers of a Chair of the Board in the absence or incapacity of the Chair of the Board.
- (2) Work closely with the Chair of the Board and the President/Chief Executive Officer to learn the duties of the Chair of the Board in preparation to assume that position. Assist the Chair of the Board in overseeing annual performance evaluation of the President/Chief Executive Officer, setting and approving the Chief Executive Officer's compensation and developing performance goals for the President/Chief Executive Officer.
- (3) Serve as Vice Chair of the Board of the Association and a member of the Executive Committee, the Vice Chair of Board of Directors of the ACMPE Scholarship Fund, Inc., the Vice Chair of the Board of Directors of MGMA Center for Research, and the Vice Chair of the Board of Directors of MGMA Realty Corp.
- (4) Represent the Association with respect to other associations, industry groups, government or other organizations as requested by the Chair of the Board or the President/Chief Executive Officer.
- (5) Serve as Chair of the Honors Committee.
- (6) Perform other duties and assume responsibilities as requested by the Chair of the Board, the Board or the President/Chief Executive Officer.

(c) Term. The Vice Chair of the Board shall serve a one-year term, and shall automatically ascend to the position of Chair of the Board upon completion of the term of the office of the incumbent Chair of the Board.

Section 6.4 Immediate Past Chair of the Board. The position of Immediate Past Chair of the Board shall be described as follows:

(a) Basic Function. The Immediate Past Chair of the Board shall provide continuity, giving advice and counsel to the Board.

(b) Duties, Responsibilities and Authority. The duties, responsibilities and authority of the Immediate Past Chair of the Board shall include the following:

- (1) Serve as the Immediate Past Chair of the Board of the Association and a member of the Executive Committee, the Immediate Past Chair of the

Board of Directors of the ACMPE Scholarship Fund, Inc., the Immediate Past Chair of the Board of Directors of MGMA Center for Research and the Immediate Past Chair of the Board of Directors of MGMA Realty Corp.

- (2) Serve as Chair of the Nominating Committee.
- (3) Represent the Association with respect to other associations, industry groups, government or other organizations as requested by the Chair of the Board or the President/Chief Executive Officer.
- (4) Perform other duties and assume responsibilities as requested by the Chair of the Board, the Board or the President/Chief Executive Officer.

(c) Term. The Immediate Past Chair of the Board shall serve a one-year term.

Section 6.5 Finance/Audit Chair. The position of Finance/Audit Chair shall be described as follows:

(a) Basic Function. The Finance/Audit Chair is responsible for the review of the annual audit of the Association, and in conjunction with the President/Chief Executive Officer, presentation of the annual budget and business plan to the Board.

(b) Duties, Responsibilities and Authority. The duties, responsibilities and authority of the Finance/Audit Chair shall include the following:

- (1) Serve as Chair of the Finance/Audit Committee, as a member of the Executive Committee and the Chair of the Finance/Audit Committee of the Board of the Association, the Chair of the Finance/Audit Committee of the Board of Directors of the ACMPE Scholarship Fund, Inc., the Chair of the Finance/Audit Committee of the Board of Directors of MGMA Center for Research and the Chair of the Finance/Audit Committee of the Board of Directors of MGMA Realty Corp.
- (2) Work with the Finance/Audit Committee and the management staff to ensure that the Association maintains accurate financial records, and review expenditures and financial status of the Association on a regular basis to assure overall fiscal integrity.
- (3) Work with management staff to submit regular and timely financial reports at meetings of the Board.
- (4) Submit the financial accounts of the Association to an annual independent audit by an outside auditor selected by the Board. Also meet annually with the outside auditor and the Finance/Audit Committee and report on that meeting to the Board.
- (5) Work closely with the Executive Committee during the development of the annual business plan.

- (6) Serve as Secretary of the Association in order to perform the duties of such office as required by law; including preparation and maintenance of minutes of the meetings of the Board and of the members and of the other records required to be kept by the Association under the Act, and for authenticating records of the Association.

- (c) Term. The Finance/Audit Chair shall serve a one-year term.

Section 6.6 Finance/Audit Vice Chair. The position of Finance/Audit Vice Chair shall be described as follows:

- (a) Basic Function. The Finance/Audit Vice Chair shall perform the duties and exercise the powers of the Finance/Audit Chair in the absence or incapacity of the Finance/Audit Chair.

- (b) Duties, Responsibilities and Authority. The duties, responsibilities and authority of the Finance/Audit Vice Chair shall include the following:

- (1) Perform the duties and exercise the powers of the Finance/Audit Chair in the absence or incapacity of the Finance/Audit Chair.
- (2) Work closely with the Finance/Audit Chair and the President/Chief Executive Officer to learn the duties of the Finance/Audit Chair in preparation to assume that position.
- (3) Serve as the Finance/Audit Vice Chair of the Finance/Audit Committee and the Finance/Audit Vice Chair of the Board of the Association, the Finance/Audit Vice Chair of the Board of Directors of the ACMPE Scholarship Fund, Inc., the Finance/Audit Vice Chair of the Board of Directors of MGMA Center for Research, and the Finance/Audit Vice Chair of the Board of Directors of MGMA Realty Corp.
- (4) Perform other duties and assume responsibilities as requested by the Chair of the Board, the Board or the President/Chief Executive Officer.

- (c) Term. The Finance/Audit Vice Chair shall serve a one-year term, and shall automatically ascend to the position of Finance/Audit Chair upon completion of the term of the office of the incumbent Finance/Audit Chair.

Section 6.7 President/Chief Executive Officer. The Board shall also appoint and employ a President/Chief Executive Officer who shall be an ex officio member of the Executive Committee and the Board of Directors without vote and shall be responsible for all activities directed toward the programs and projects of the Association. The President/Chief Executive Officer shall, subject to the direction and supervision of the Board, be the chief executive officer of the Association and shall have the general and active control of its affairs and business and general supervision of its officers, agents and employees. The duties, responsibilities and authority of the President/Chief Executive Officer shall be as set forth by the Board.

Section 6.8 Removal. Any officer may be removed by the Board with or without cause, but such removal shall be without prejudice to contract rights, if any, of the officer so removed. Appointment of an officer does not itself create contract rights.

Section 6.9 Resignations. Any officer may resign at any time by mailing or delivering written notice of such resignation to the Chair of the Board, except written notice of resignation of a Chair of the Board shall be made by mailing or delivering such notice to the Vice Chair of the Board. Any such resignation shall take effect at the time specified therein or if no time be specified, then at the time of receipt thereof.

Section 6.10 Vacancies. The Vice Chair of the Board shall fill a vacancy in the position of a Chair of the Board, and the Finance/ Audit Vice Chair shall fill a vacancy in the position of Finance/Audit Chair. Any vacancy in the position of Immediate Past Chair of the Board shall not be filled. The Board shall fill vacancies occurring in the positions of Vice Chair of the Board and Finance/ Audit Vice Chair as provided in Section 6.1.

## **Article 7**

### **ACMPE Certification Commission**

Section 7.1 Establishment. The Association fully supports the certification program operated by ACMPE prior to January 1, 2012, which program shall thereafter be operated by the Association. This support is further outlined in a Statement of Principles between the Association and the ACMPE Certification Commission. Among other things, the Association adopts and endorses the principle that Fellow status is the highest level of distinction a person can earn in the medical practice management profession, signifying superior standards of performance, professional competency and ongoing personal and professional development in the field. Accordingly, the ACMPE Certification Commission is established for the purpose of making recommendations to the Board for awarding the CMPE and FACMPE designation and is also designated responsibility for formulating policies and processes involving the certification program and related matters.

Section 7.2 Composition and Qualifications. The ACMPE Certification Commission shall be composed of six (6) to eight (8) persons, one of whom shall be the ACMPE Certification Commission Immediate Past Chair (the "ACMPE Certification Commission Members"). ACMPE Certification Commission Members shall serve two-year terms, subject to a two (2) term limit, provided that the ACMPE Certification Commission Immediate Past Chair shall serve a single one-year term. Two-year terms shall be staggered, so that three (3) to four (4) ACMPE Certification Commission Members shall be appointed each year. Annually, at its meeting held at the Association's Annual Conference, the Board shall appoint or reappoint, as appropriate, persons to fill positions created by expiring terms. The Board shall also appoint a Chair of the ACMPE Certification Commission. Each of the ACMPE Certification Commission Members must hold either an FACMPE or a CMPE designation, and at least sixty-six percent (66%) of the ACMPE Certification Commission Members must hold a FACMPE designation. In addition, in appointing such ACMPE Certification Commission Members, the Board is encouraged to consider prior experience of candidates as a forum representative, and/or service on a papers, exam and/or advancement committee of the Association. ACMPE Certification Commission Members may be removed by a vote of 75% of the Directors then in office. Vacancies arising for any reason (other than expiration of term) shall be filled by the ACMPE Certification Commission Nominating Subgroup.

Section 7.3 Responsibilities. The ACMPE Certification Commission shall be responsible for overseeing and regulating the Association's certification program, Fellowship requirements and the Body of Knowledge for Medical Practice Management, including the following duties:

- (a) Making recommendations to the Board of persons who have satisfied the requirements for achieving the FACMPE or CMPE designation, which recommendations shall be subject to Board approval in accordance with Section 7.4.

- (b) Determining the eligibility requirements for taking the certification exams;
- (c) Formulating and implementing an appeals process for persons to appeal the denial of a certification or of a right to progress to a further point in the certification process;
- (d) Overseeing the committees performing and supporting the certification functions;
- (e) Overseeing the certification and Fellowship requirements;
- (f) Overseeing the process for exam development, review and scoring;
- (g) Overseeing requirements to maintain an existing certification;
- (h) Making recommendations to the Board for persons to be appointed as the Chair Elect of the ACMPE Certification Commission and members of the ACMPE Certification Commission;
- (i) Making recommendations to the Board regarding the fees charged for the certification program and other financial issues related to the administration thereof;
- (j) Making recommendations to the Board regarding ethical standards and professional criteria related to the certification program and Fellowship status;
- (k) Adopting standing rules and policies, including but not limited to the disciplinary process for individuals related to the certification program and Fellowship status; and
- (l) Overseeing the maintenance of the Body of Knowledge for Medical Practice Management.

Section 7.4 Quorum and Voting. A vote of two-thirds of all ACMPE Commission Members shall be required for action to be taken by the ACMPE Certification Commission.

Section 7.5 Board Approval of Certification.

(a) At least monthly, the Executive Committee of the Board or its authorized designee shall review the recommendations regarding any matter within the designated responsibilities of the ACMPE Certification Commission regarding persons who have met the requirements to be awarded the designations of CMPE and FACMPE. Approval of such recommendations shall be in accordance with Sections 5.5 and 5.6 of these Bylaws; however, a decision by the Board not to grant a certification designation that has been recommended by the ACMPE Certification Commission shall be in accordance with Section 7. 5\_(b) of these Bylaws.

(b) Any decision by the Board, which does not accept the recommendation of the ACMPE Certification Commission shall require the approval of at least 75% of all Directors.

## **Article 8 Additional Committees**

Section 8.1 Formation. In addition to the ACMPE Certification Commission described in Article 7, the Association shall have an Executive Committee, Nominating Committee, Finance/Audit Committee, Ethics Committee, Honors Committee and such other advisory groups as may be established

from time to time by the Board. The composition, duties and term of such committees or advisory groups not addressed in these Bylaws shall be established by resolution of the Board.

Section 8.2 Executive Committee. The composition, function and operation of the Executive Committee shall be as follows:

(a) Composition. The Executive Committee shall be composed of the following: Chair of the Board, Vice Chair of the Board, Immediate Past Chair of the Board and Finance/Audit Chair. In addition, the President/Chief Executive Officer shall serve as ex officio nonvoting member of the Executive Committee.

(b) Basic Function. The Executive Committee shall review and take action on items that, in the discretion of the Chair of the Board, must be acted upon prior to a full meeting of the Board in situations where a meeting with the full Board is not practicable. Actions of the Executive Committee, other than those relating to the salary and performance evaluation of the President/Chief Executive Officer, shall be posted electronically as soon as practicable for review by the Board.

(c) Duties, Responsibilities and Authority. The duties, responsibilities and authority of the Executive Committee shall include the following:

- (1) Develop agenda for meetings of the Board and the annual meeting of the membership.
- (2) Oversee the compensation process and review the report of the Chair and Vice Chair of the Board respecting the performance of the President/Chief Executive Officer and the salary, bonus and employment agreement adjustments established by the Chair and Vice Chair for the President/Chief Executive Officer.
- (3) Review items delegated to it by the Board.

(d) Term. The Chair of the Board, Vice Chair of the Board, Immediate Past Chair of the Board, and Finance/Audit Chair serve on the Executive Committee for the term of their respective offices. The President/Chief Executive Officer shall serve a continuous term.

(e) Vacancies. Any vacancy on the Executive Committee in the positions of Chair of the Board and/or Finance/Audit Chair shall be filled by the person selected to fill the office which was vacated. A vacancy in the position of an Immediate Past Chair of the Board shall not be filled if vacated.

Section 8.3 Nominating Committee. The composition, function and operation of the Nominating Committee shall be as follows:

- (a) Composition. The Nominating Committee shall be composed of the following:
- (1) The Immediate Past Chair of the Board, who shall serve as Nominating Committee Chair;
  - (2) The previous year's Chair of the Nominating Committee;

- (3) Three (3) at-large members selected by the Board of Directors.

If a position of an Immediate Past Chair is vacated for any reason, then the remaining Nominating Committee members shall elect a Chair; absent unusual circumstances, it is preferable that a prior year's Nominating Committee Chair shall serve as a Chair of the Nominating Committee in such instance.

(b) Basic Function. The Nominating Committee is charged with the responsibility of submitting to the Board qualified candidates for the positions of Vice Chair of the Board, Finance/Audit Vice Chair, at-large Director positions on the Board, and such other positions as may be provided in these Bylaws or delegated to the Nominating Committee by the Board.

(c) Duties, Responsibilities and Authority. The duties, responsibilities and authority of the Nominating Committee shall include the following:

- (1) Provide information to the Association membership regarding the at-large positions on the Board, including a description of the skill sets desired for Board membership.
- (2) Take into account the diversity of the Association membership and the potential of each nominee to fulfill the mission of the Association. Each nominee shall be chosen without regard to race, creed, color, gender, age, national origin, religion or disability of such person.
- (3) Take into account the competencies, skills, knowledge and abilities of each nominee in the context of furthering the existing and future needs of the Association and achieving a Board composition which is representative of the Association's evolving membership.

(d) Term. The term of each member of the Nominating Committee shall be for a period of one (1) year. Members may serve more than one consecutive term.

(e) Vacancies. Any member of the Nominating Committee who desires to seek election or re-election to the Board shall resign from membership on the Nominating Committee and so notify the Chair of the Nominating Committee on or before the commencement of the regularly scheduled Board meeting held in the winter of each year. In the event of such resignation, the Chair shall fill the vacancy by selecting another member. In addition, if a vacancy occurs on the Nominating Committee by reason of death, disability or other reasons, such position shall be filled in a manner similar to a vacancy by resignation, except for the position of an Immediate Past Chair which shall not be filled.

(f) Nominating Committee Operational Procedures. The Nominating Committee shall operate according to such procedures as may be established by the Board from time to time.

Section 8.4 Finance/Audit Committee. The composition, function and operation of the Finance/Audit Committee shall be as follows:

(a) Composition. The Finance/Audit Committee shall be composed of five (5) to six (6) voting members as follows: the Finance/Audit Chair, Finance/Audit Vice Chair and three (3) to four (4) additional members selected as provided below shall be voting members. In addition, the President/Chief Executive Officer shall be an ex officio nonvoting member. The additional voting

members shall be jointly recommended to the Board by the Chair of the Board and the Finance/Audit Chair for appointment by the Board. Such additional members may, but are not required to, be Directors or Members of the Association, provided that at all times a majority of voting members of the Finance/Audit Committee shall be Members of the Association. At least three members of the Committee shall have skills and/or experience in financial, audit, budgetary and investment matters, whether as a professional in one or more of such areas or as a member of a board or committee (outside the Association) which is charged with responsibility for such matters.

(b) Basic Function. The Finance/Audit Committee shall have the direct oversight and responsibility for the financial rules, policies and procedures of the Association. In addition, the Finance/Audit Committee shall review and provide recommendations to the Board of the Association with respect to the Association's investment consultant; monitor investment performance and compliance with the investment policy; and act as the Advisory Committee of the Association retirement plans.

(c) Duties, Responsibilities and Authority. The duties, responsibilities and authority of the Finance/Audit Committee shall include the following:

- (1) To implement and review the annual audit of the Association and report the results of the same to the Board.
- (2) To review the annual budget of the Association and submit the budget to the Board for its approval.
- (3) Regulate, review and propose revisions to the Association's investment policy.
- (4) Make decisions regarding the investment consultant retained on behalf of the Association.
- (5) Regulate and review the investment performance of the investment consultant and monitor compliance of such performance with the Association investment policy.
- (6) Manage the investments of the Association retirement plans, Association reserves and other Association funds.
- (7) Develop and review proposed changes to the design of the retirement plans and recommend such changes to the Board of the Association for its consideration.
- (8) To review the Form 990 of the Corporation and to work with the Corporation's outside accountant to finalize the Form 990.

(d) Term. The Finance/Audit Chair and Finance/Audit Vice Chair shall serve on the Finance/Audit Committee for the term of their respective offices. The President/Chief Executive Officer shall serve as an ex officio, non-voting member of the Finance/Audit Committee. All other members of the Finance/Audit Committee shall serve two-year terms, and such terms shall be staggered.

(e) Vacancies. The Finance/Audit Chair, in consultation with the Board Chair, shall fill any vacancy in the positions on the Finance/Audit Committee which are occupied by persons other than ex officio members of the Finance/Audit Committee.

Section 8.5 Ethics Committee. The composition, function and operation of the Ethics Committee shall be as follows:

(a) Composition. The Ethics Committee shall be composed of the voting members of the Executive Committee of the Association as provided in Section 8.2(a). In addition, the President/Chief Executive Officer shall serve as an ex officio nonvoting member of the Ethics Committee. The position of Chair of the Ethics Committee shall be nominated by voting members of the Executive Committee and approved by vote of the Board of the Association.

(b) Basic Function. The Ethics Committee shall have the direct oversight and responsibility for any ethics violations and related policies and procedures of the Association, subject to Board oversight as required by law.

(c) Duties, Responsibilities and Authority. The duties, responsibilities and authority of the Ethics Committee shall include the following:

- (1) Review and evaluate at least every other year, or more frequently if needed, the Association Code of Ethics and Disciplinary Procedures, and make any necessary recommendations for modifications to the Board for updating the Code and any related Ethics Committee procedures.
- (2) Receive all alleged violations of the Association Code of Ethics, and determine their proper resolution in the manner set forth in the Association Code of Ethics.

(d) Term. All members of the Ethics Committee shall serve for the term of their respective service on the Executive Committee.

(e) Vacancies. The Ethics Chair, subject to ultimate oversight by the Board, shall fill any vacancy on the Ethics Committee with a member of the Board who is not a member of the Executive Committee.

Section 8.6 Honors Committee. The composition, function and operation of the Honors Committee shall be as follows:

- (a) Composition. The Honors Committee shall be composed of the following:
- (1) The Vice Chair of the Board, who shall serve as Honors Committee Chair;
  - (2) One (1) Board member who holds a CMPE or FACMPE designation;
  - (3) Three (3) Association Members who hold the FACMPE designation;
  - (4) One Association Member who holds the CMPE designation;
  - (5) One (1) physician Member of the Association and
  - (6) One (1) at-large Association Member.

Each member of the Honors Committee shall meet one or more of the following criteria and/or such other criteria as are established from time to time by the Board: access to a network of potential nominators, exceptional knowledge of the Association, commitment to execute assigned duties, job-based knowledge of national trends, knowledge of medical practice management. The Board Chair shall appoint all Members of the Honors Committee except the Vice Chair, who shall serve ex officio.

(b) Basic Function. The Honors Committee shall have responsibility for designating for specific recognition by the Association (subject to Board approval) individuals and organizations that have made significant contributions to the medical practice management profession.

(c) Duties, Responsibilities and Authority. The duties, responsibilities and authority of the Honors Committee shall include the following:

- (1) Evaluate and rate potential recipients of Association awards for personal and business achievement and
- (2) Review and rate qualifying articles to be submitted for Member voting for Association awards.

(d) Term. All members of the Honors Committee shall be appointed to serve one-year terms. Members may serve up to three (3) terms.

(e) Vacancies. The Honors Chair, subject to ultimate oversight by the Board, shall fill any vacancy on the Honors Committee with a member of the Board.

Section 8.7 Proceedings, Quorum and Manner of Acting. Except as otherwise prescribed by these Bylaws or the Board, each committee may adopt such rules and regulations governing its proceedings, quorum and manner of acting as it shall deem proper and desirable, provided that the quorum shall not be less than a majority of the voting members of such committee.

Section 8.8 Action by Committee Without Meeting. Any action required to be taken at a committee meeting or any action which may be taken at such a meeting, may be taken without a meeting if the committee members act pursuant to the procedures for action by directors without a meeting set forth in Section 5.6 hereof.

Section 8.9 Meetings by Conference Telephone. Any committee member may participate in a meeting of the committee by conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute the presence of such person at such meeting.

## **Article 9 Other Affiliates**

Section 9.1 Affinity Groups. The Board may from time to time designate divisions of Members based on Member location, medical group practice specialties and/or specific managerial roles and interests and provide for collegial interaction of Members within such divisions within structure and operating procedures established by the Board from time to time.

Section 9.2 Affiliated Organizations. In order to further the objectives of the Association, the Board may establish affiliate relationships on such terms and conditions as it deems appropriate and desirable with groups of medical practice executives that are formed on a state, regional or local basis.

**Article 10**  
**Standard of Conduct for Directors and Officers, Indemnification and Insurance**

Section 10.1 Standards of Conduct for Directors and Officers.

(a) Each Director shall discharge his/her duties as a Director, including duties as a member of a committee of the Board, and each officer with discretionary authority shall discharge the officer's duties under that authority:

- (1) In good faith;
- (2) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (3) In a manner the Director or officer reasonably believes to be in the best interests of the Association.

(b) In discharging 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:

- (1) One or more officers or employees of the Association whom the Director or officer reasonably believes to be reliable and competent in the matters presented;
- (2) Legal counsel, a public accountant, or another person as to matters the Director or officer reasonably believe are within such person's professional or expert competence; and
- (3) In the case of a Director, a committee of the Board of which the Director is not a member if the Director reasonably believes the committee merits confidence.

(c) A Director or officer is not acting in good faith if the Director or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (2) of this section unwarranted.

(d) A Director or officer is not liable as such to the Association or its members for any action taken or omitted to be taken as a Director or officer, as the case may be, if, in connection with such action or omission, the Director or officer performed the duties of the position in compliance with this Section.

Section 10.2 Indemnification of Directors. The Association shall advance expenses to and indemnify its "directors" (as defined in the Act) against such expenses and liabilities, in such manner, under such circumstances, and to the maximum extent permitted by Colorado law.

Section 10.3 Indemnification of Officers, Employees, Fiduciaries, and Agents. The following provisions apply to indemnification of officers, employees, fiduciaries and agents:

- (a) An officer is entitled to mandatory indemnification to the same extent as a director, as provided in the Act;
- (b) The Association may indemnify and advance expenses to an officer, employee, fiduciary, or agent of the Association to the same extent as to a director; and
- (c) The Association may also indemnify and advance expenses to an officer, employee, fiduciary, or agent who is not a director to a greater extent than is provided in these Bylaws for directors, if not inconsistent with public policy, and if provided for by general or specific action of the Board or the members or by contract.

Section 10.4 Insurance. The Association may purchase and maintain insurance on behalf of a person who is or was a director, officer, employee, fiduciary, or agent of the Association, or who, while a director, officer, employee, fiduciary, or agent of the Association, is or was serving at the request of the Association as a director, officer, partner, member, manager, trustee, employee, fiduciary, or agent of another domestic or foreign entity or of an employee benefit plan, against liability asserted against or incurred by the person in that capacity or arising from his or her status as a director, officer, employee, fiduciary, or agent, whether or not the Association would have power to indemnify the person against the same liability.

Section 10.5 Notice to Members of Indemnification of Director. If the Association indemnifies or advances expenses to a director under this Article 10 in connection with a proceeding by or in the right of the Association, the Association shall give written notice of the indemnification or advance to the members of the Association with or before the notice of the next membership meeting.

## **Article 11**

### **Association Code of Ethics and Disciplinary Procedures**

Section 11.1 Association Code of Ethics. Members shall be bound and abide by the Association's Code of Ethics, as amended from time to time by the Board. The Board shall establish such disciplinary policies and procedures as it deems necessary and appropriate to implement and enforce the Association's Code of Ethics.

## **Article 12**

### **Miscellaneous**

Section 12.1 Surety Bonds. The Board may require any officer, agent or employee of the Association to execute a bond to the Association in such sum and with such surety or sureties as the Board may determine, conditioned upon the faithful performance of such person's duties to the Association, including responsibility for negligence and for the accounting of any of the Association's property, funds or securities that may come into such person's hands.

Section 12.2 Amendments. Subject to applicable law, the Board shall have the power by majority vote of the aggregate number of Directors then in office to alter, amend or repeal these Bylaws of the Association at any regular meeting of the Board or at any special meeting called for that purpose.