

**CORPORATE BYLAWS**  
**OF**  
**ALIGNMENT ROCKFORD**

**ARTICLE I**  
**CORPORATION**

SECTION 1.1. Corporate Name. The name of the corporation shall be ALIGNMENT ROCKFORD, an Illinois not-for-profit corporation to be governed by the General Not for Profit Corporation Act of 1986 as amended from time to time (the “Act”).

SECTION 1.2. Corporate Purposes. The purposes of the corporation are to operate exclusively for charitable, scientific or educational purposes within the meaning of 501(c)(3) of the Internal Revenue Code of 1986, as amended, in the course of which operation:

1.2.1 No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, directors, officers or other persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein;

1.2.2 No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office except as authorized under the Internal Revenue Code;

1.2.3 Notwithstanding any other provisions of these bylaws, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law);

and in furtherance thereof:

1.2.3.1 to align community resources in support of public school strategies to raise student achievement, improve the health and happiness of our children, and advance the economic and social well-being of our community.

1.2.3.2 to receive and accept property to be administered under these bylaws

and the Articles of Incorporation for charitable purposes;

(c) The making of distributions of income or principal in accordance with the terms of gifts, bequests, or devises to the corporation not inconsistent with the purposes expressed in these bylaws and the Articles of Incorporation or in accordance with determinations by the Board of Directors pursuant to these bylaws and the Articles of Incorporation;

1.2.3.4 To own, lease, donate or otherwise deal with all property, real and personal, to be used in furtherance of these purposes; and

1.2.3.5 To contract with other organizations, for-profit and not-for-profit, with individuals, and with governmental agencies in furtherance of these purposes.

### SECTION 1.3 Definitions.

1.3.1 “Charitable purposes” includes educational, religious, scientific, public and other purposes, contributions for which are deductible under Section 170(c)(1) and (2)(B) of the Internal Revenue Code.

1.3.2 “disqualified person” is a defined term under the Internal Revenue Code. For the benefit of the directors, currently it means :

1.3.2.1 a substantial contributor to the corporation;

1.3.2.2 a foundation manager;

1.3.2.3 an owner of more than a 20% interest in a substantial contributor;

1.3.2.4 the following members of the family of a disqualified person: a spouse, ancestors, children, grandchildren, and great-grandchildren and the spouses of children, grandchildren and great-grandchildren. A legally adopted child of an individual is treated as a child of the individual by blood.

1.3.2.5 corporations, partnerships, trusts and estates in which disqualified persons own more than a 35% interest.

1.3.3 “Foundation Manager” means:

1.3.3.1 an officer, director or trustee of the corporation (or an individual having powers or responsibilities similar to those of officers or directors, of the corporation); and

1.3.3.2 with respect to any act (or failure to act), the employees of the corporation having authority or responsibility with respect to the act (or failure to act)

1.3.4 “Gift” includes the transfer of money or other property of any kind, real, personal or mixed, or any interest in property, and whether made by delivery, grant, conveyance, payment, devise, bequest or any other method of transfer.

1.3.5 “Internal Revenue Code” means the Internal Revenue Code of 1986 and includes all amendments thereto and redesignation thereof.

1.3.6 “Public charity” means a qualified charitable organization which is “other than a private foundation” within the meaning of Section 509(a) of the Internal Revenue Code.

1.3.7 “Qualified charitable organization” and “qualified charitable organizations” mean an organization or organizations organized exclusively for charitable purposes and qualified as exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and described in Section 170(c)(1) or (2) of said Code.

1.3.8 “Substantial Contributor” means a person who has contributed or bequeathed more than \$5,000 to the corporation if that amount is more than 2% of the total contributions and bequests received by the corporation before the end of the taxable year in which received.

SECTION 1.4. Corporate Offices. The corporation shall have and continuously maintain in this state a registered office and a registered agent whose office address is identical with such registered office, and may have other offices within or without the state of Illinois as the board of directors may from time to time determine.

SECTION 1.5. Corporate Dissolution. In the event of the dissolution of the corporation, the board of directors, after paying or making provision for the payment of all of the liabilities of the corporation, shall distribute, in any proportions considered prudent, all of the assets of the corporation to Anderson Gardens, an Illinois not-for-profit corporation, if then in existence and if qualified under 501(c)(3) of the Internal Revenue Code of 1986, as amended, otherwise in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational or scientific purposes as shall at the time qualify as an exempt organization or organizations under 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the board of directors shall determine. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

## ARTICLE II

### MEMBERSHIP

The Corporation shall have no members.

## ARTICLE III

### BOARD OF DIRECTORS

SECTION 3.1. Powers. The board of directors shall manage the affairs of the corporation, shall exercise its powers and shall control its property. It shall determine compliance with the corporation's stated purposes and shall have the power and authority to do and perform all acts or functions not inconsistent with these bylaws or the corporation's articles of incorporation.

SECTION 3.2 Qualifications. The *ex officio* directors may not appoint as additional directors persons who are “disqualified persons” under the Internal Revenue Code (other than by reason of being a “foundation manager”) if the total number of such persons serving would constitute a majority of a quorum.

SECTION 3.3. Classes and Terms. The board of directors of the corporation shall consist of:

3.3.1 the following persons serving *ex officio* with vote (i) the Dean of the University of Illinois College of Medicine - Rockford; (ii) the President of Rock Valley Community College; (iii) the Superintendent of Rockford Public School District #205; (iv) the President of Rockford College; (v) the President of the School Board of Rockford Public School District #205; (vi) the President of Rockford Health Systems; (vii) the President of SwedishAmerican Health System; (viii) the chief executive officer of OSF Saint Anthony Medical Center; (ix) the Mayor of the City of Rockford; (x) the Chairman of the Winnebago County Board; (xi) the President of the Rockford Chamber of Commerce; and (xii) the President of the Rockford Area Economic Development Council. If at any time an *ex officio* office is filled with an interim or acting president, chairman or superintendent, as the case may be, the person serving as such interim or acting president or superintendent, as applicable, shall serve as the *ex officio* director.

3.3.2 The *ex officio* directors, acting by a majority of the designated *ex officio* directors, shall appoint four (4) additional directors who shall be chosen from the chief executive officers of the largest employers operating in Winnebago County, excluding tax exempt and governmental employers. For purposes of identifying this potential class of individuals to be asked to serve, local employment shall be the measure rather than the overall employment of a multi-location organization with local operations. For multi-location employers, the person to be considered the chief executive officer is the person in charge of the local operations. Efforts to recruit directors shall start with the largest qualifying employers by extending invitations to the four largest first. Invitations to participate as a director shall be in writing (email is sufficient) with the invitee asked to respond. If the prospective director fails to respond, then a follow-up written communication shall be used to inform the prospective director that unless a response is received within ten (10) business days, the prospective director will be deemed to have declined. If one or more of the four largest declines, either by affirmatively declining or by being deemed to have declined by reason of a failure to respond, then the chief executive officer of the next largest and so on shall be invited until four directors have agreed to serve. This process is to be followed each year

in connection with filling the positions of appointed directors whose terms expire, but it is unnecessary to re-invite a chief executive officer who previously declined unless she or he indicated an interest in serving in the future, whether coincidental with or subsequent to initially declining. If a person who declined is no longer the chief executive officer of a larger employer than those currently serving, the current chief executive officer of that employer shall be extended an invitation in connection with appointment upon expiration of terms or for any vacancy before going to a smaller employer chief executive officer.

3.3.3 The *ex officio* directors, acting by a majority of the designated *ex officio* directors, shall appoint nine (9) to fourteen (14) additional community directors divided into three classes to serve staggered terms of one, two and three years and upon the expiration of these staggered terms, their successors shall thereafter be appointed for a three year term. In the selection of community directors, the utmost consideration should be given to leaders of broadly representative constituencies within the community (mindful of the existing representation of educational, political, employer and business constituencies among the *ex officio* directors) to facilitate a broad and far-reaching collaboration of philanthropic, educational, political, employer, business, religious, civic, social service, and grassroots organizations faithfully working together to align community resources in support of public school strategies to raise student achievement, improve the health and happiness of our children, and advance the economic and social well-being of our community.

3.3.4 The board of directors comprised of those appointed or serving *ex officio* pursuant to sections 3.3.1, 3.3.2 and 3.3.3 shall appoint a person to be the chairperson of the Operating Board, hereinafter described. If the person so appointed is not already a director, such person shall be an *ex officio* director with vote during his or her tenure as chairperson of the Operating Board.

SECTION 3.4. Election. The directors whose terms expire shall be elected by the *ex officio* directors.

SECTION 3.5. Resignation and Removal of Directors. A director may resign at any time upon written notice to the board of directors. An appointed director may be removed at any time by action of the *ex officio* directors.

SECTION 3.6 Vacancies. Vacancies due to death, resignation or other cause than expiration of term, shall be filled by the *ex officio* directors. Any director elected to fill an existing vacancy other than one created by expansion, shall be elected for the unexpired term of her or his predecessor.

SECTION 3.6. Voting. Other than the special provisions for the appointment of directors by the *ex officio* directors, each director shall have one vote on any matter submitted to the board of directors.

SECTION 3.7. Advisors to the Board. The board of directors may designate non-voting advisors to the board, who shall be entitled to notice of and to attend all meetings of the board, who may express their views, but who shall not be entitled to vote.

SECTION 3.8. Annual Meeting. The annual meeting of the board of directors shall be held on such date and at such time as the directors may establish from time to time by resolution at the principal office of the corporation, or at such place and at such hour as may be designated by the chairperson in the notice. The purposes of the annual meeting shall be (a) to elect the officers of the corporation for the coming year; and (b) to transact such other business as may be desirable.

SECTION 3.9. Regular Meetings. The board of directors shall hold regular meetings at least quarterly at the principal office of the corporation or at such place and at such time as may be designated by the chairperson in the notice. The annual meeting may be counted as one of the quarterly regular meetings.

SECTION 3.10. Special Meetings. Special meetings of the board of directors may be called by the chairperson or upon receipt of a written request of three (3) directors.

SECTION 3.11. Notice. Written notice of all board meetings shall be mailed by first class mail or delivered to each director not less than five (5) nor more than forty (40) days before the date of the meeting, which notice shall in the case of special meetings state generally the nature of the business to be taken up at the meeting. Personally delivered notices shall be effective on receipt. Facsimile messages shall be effective upon receipt as shown by the receiver's legend of transmission, station and time. Mailed notices shall be effective when deposited in the United States mail in a sealed envelope addressed to the director with postage thereon prepaid. Notices delivered by email or like electronic communications shall be effective when sent to the last email address which a director has furnished to the corporation. A waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving notice.

SECTION 3.12. Quorum. For all meetings of the board of directors, a quorum shall be a simple majority of the directors then serving, who shall be present in person. Any director may participate in and act at any meeting of the board through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meetings shall constitute attendance and presence in person at the meeting of the person or persons so participating. If less than a majority of the directors are present, a majority of the directors present may adjourn the meeting to another time without further notice.

SECTION 3.13. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board unless otherwise required by applicable law, the Articles of Incorporation, or these bylaws.

SECTION 3.14. Informal Action. Any action required to be taken at a meeting of directors of the corporation, or any other action which may be taken at a meeting of directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors. A consent in writing may be executed in one or more counterparts, each of which will be considered an original instrument and all of which together will be considered one in the same

consent in writing, and will become effective when counterparts, which together contain the signatures of each party hereto, will have been delivered to the secretary of the corporation. Delivery of executed signature pages by facsimile transmission or by a scanned digital image attached to an email message will constitute effective and binding execution and delivery of a consent in writing.

SECTION 3.15. Procedure. Roberts Rules of Order Revised (latest edition) shall govern procedure at all meetings of the board of directors and its committees where not covered expressly by these bylaws.

## ARTICLE IV

### ALIGNMENT ROCKFORD OPERATING BOARD

SECTION 4.1 Operating Board. The Alignment Rockford Operating Board shall be an organization of the corporation consisting of a person appointed as chairman by the board of directors and persons appointed as working committee co-chairs, one to be nominated by Rockford Public School District # 205 and one other selected by the board of directors, in connection with each working committee of the Operating Board tasked to work on a project nominated by Rockford Public School District # 205 which the board of directors determines to be consistent with the strategic plans of Rockford Public School District # 205 and the mission of the corporation. The board of directors may appoint additional persons to serve on the Operating Board as deemed necessary.

SECTION 4.2 Powers of Operating Board. The Operating Board shall be authorized to engage in any activity consistent with its these bylaws, rules, regulations and policy of the corporation and its bylaws provided that such activity shall at all times be coordinated by the executive director and subject to the approval by the board of directors.

SECTION 4.3 Bylaws. The Operating Board shall organize itself by the adoption of bylaws for the purpose of aiding the corporation in accomplishing its purpose and may set forth rules and regulations regarding its own conduct and the conduct and activities of its members. Such Bylaws shall be subject to the approval of the board of directors. Whenever a provision of the bylaws of the Operating Board, or its rules and regulations, is inconsistent with any provision of these bylaws, or the rules, regulations and policy of the corporation, these bylaws and the rules, regulations and policy of the corporation shall be deemed controlling.

## ARTICLE V

### OFFICERS OF THE CORPORATION

SECTION 5.1 Officers. The officers of the corporation shall be a chairperson a vice-chairperson, an executive director, a treasurer, a secretary elected by the board of directors. The board of directors may also elect one or more assistant executive directors, and assistant treasurers, assistant secretaries, or other officers, as it may deem necessary. No officer elected by the board of

directors may be a “disqualified person” under the Internal Revenue Code (other than by reason of being a “foundation manager”). Officers whose authority and duties are not prescribed in these bylaws shall have the authority and perform the duties prescribed, from time to time, by the board of directors. Any two or more offices may be held by the same person.

SECTION 5.2 Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at the regular annual meeting of the board of directors. If the election of officers shall not be held at such meeting, such election shall be held as soon therefore as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until her or his successor shall have been duly elected and shall have qualified or until her or his death or until she or he shall resign or shall have been removed in the manner hereinafter provided. Election of an officer shall not of itself create contract rights.

SECTION 5.3 Removal. Any officer elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 5.4 Duties of the Chairperson. The chairperson shall preside at all meetings of the board of directors and of the executive committee and shall serve as an *ex officio* member of all committees.

SECTION 5.5 Duties of the Vice-Chairperson. In the absence of the chairperson, the vice chairperson shall possess her or his power and perform her or his duties. In the absence of both the chairperson and vice-chairperson, the directors present at any board meeting shall appoint one of their own number to preside.

SECTION 5.6 Duties of the Executive Director. The Executive Director shall be the chief executive officer of the corporation, shall be the direct executive representative of the board of directors in the management of the corporation, and shall have all the duties and authority which such position would customarily require, including, but not limited to the following:

5.6.1 Carrying out all policies established by the board and advising on the formulation of these policies.

5.6.2 Developing and submitting to the board for approval a plan of organization for the conduct of the various activities of the corporation and recommending changes when necessary.

5.6.3 Preparing written plans for the achievement of the corporation's specific objectives and periodically reviewing and evaluating such plans.

5.6.4 Preparing an annual budget showing the expected revenue and expenditures as required by the board.



5.6.5 Selecting, employing, supervising, and discharging corporate agents and employees and developing and maintaining personnel policies and practices for the corporation.

5.6.6 Maintaining physical properties in a good and safe state of repair and operating condition.

5.6.7 Supervising the financial affairs to ensure that funds are collected and expended to the best possible advantage of the corporation.

5.6.8 Presenting to the board, or its authorized committees, periodic reports reflecting the activities of the corporation and such other special reports as may be required by the board.

5.6.9 Attending meetings of the board, serving as an *ex officio* member on its committees, and coordinating the preparation of board meeting materials.

5.6.10 Representing the corporation in its relationships with any affiliated organizations.

5.6.11 Performing such other duties as may from time to time be assigned by the chairperson or by the board.

SECTION 5.7 Duties of the Treasurer. The treasurer shall be the principal accounting and financial officer of the corporation. She or he shall: (a) have charge of and be responsible for the maintenance of adequate books of account for the corporation; (b) have charge and custody of all funds and securities of the corporation, and be responsible therefor, and for the receipt and disbursement thereof; and (c) perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to her or him by the chairperson or by the board of directors. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of her or his duties in such sum and with such surety or sureties as the board of directors shall determine.

SECTION 5.8 Duties of the Secretary. The secretary shall record the minutes of the meetings of the board of directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation; keep a register of the post office address of each director which shall be furnished to the secretary by such director; and perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to her or him by the chairperson, vice chairperson, or by the board of directors.

SECTION 5.9 Assistant Executive Directors, Treasurers and Assistant Secretaries. The assistant executive directors, assistant treasurers and assistant secretaries shall perform such duties as shall be assigned to them by the executive director, treasurer or the secretary, respectively, or by the chairperson, vice chairperson, or the board of directors. If required by the board of directors, the assistant treasurers shall give bonds for the faithful discharge of their duty in such sums and with

such sureties as the board of directors shall determine.

## ARTICLE VI

### COMMITTEES OF THE BOARD OF DIRECTORS

SECTION 6.1 Standing Committee. The following committees shall be standing committees of the board.

6.1.1 Executive Committee. The executive committee shall consist of the officers of the corporation, other than any assistant executive directors, assistant secretaries or assistant treasurers and the chairperson of the Operating Board. The executive committee shall meet upon the call of the chairperson or any two members of the committee. When the board of directors is not in session, the executive committee may have all the powers, duties, responsibilities and authority of the board, except as prohibited by law.

SECTION 6.2. Special Committees. Special committees may be created by resolution of the board. Chairmen and committee members shall be appointed by the board of directors. A special committee shall limit its activities to the accomplishment of the tasks for which it is appointed and shall have no power to act except as specifically conferred by action of the board. Upon completion of the tasks for which it was created, a special committee shall stand discharged.

SECTION 6.3. Committee Procedures. Each committee shall record minutes of its deliberations, recommendations and conclusions and shall promptly deliver a copy of such minutes to the secretary of the corporation. Reasonable notice of the meetings of any committee shall be given to the members thereof and to the chairperson and the executive director, who shall have the right to attend and participate in the deliberations of the committee. The chairperson, executive director or the committee chairman may each invite to any committee meeting such individuals as they may select who may be helpful to the deliberations of the committee. A majority of the members of each committee shall constitute a quorum for the transaction of business and the act of a majority of the members of any committee present at a meeting at which a quorum is present shall be the action of the committee. For purposes of any action of a committee which is exercising any power of the Board of Directors, the committee shall be considered to consist only of those members who are also directors of the corporation both for purposes of determining whether a quorum is present or whether any proposed action has received the approval of a majority of a quorum to become the act of the committee; provided, however, no quorum of any such committee shall be deemed to exist unless a majority of the committee members present who are directors are other than disqualified persons.

SECTION 6.4. Limitations on Committee Authority. Notwithstanding any grant of authority made by these bylaws, to comply with the Act, no committee shall:

6.4.1 Adopt a plan for the distribution of the assets of the corporation, or for dissolution;

6.4.2 Approve or recommend to members any act the Act requires to be approved by members, except that committees appointed by the board or otherwise authorized by the bylaws relating to the election, nomination, qualification, or credentials of directors or other committees involved in the process of electing directors may make recommendations to the members relating to electing directors;

6.4.3 Fill vacancies on the board or on any of its committees;

6.4.4 Elect, appoint or remove any officer or director or member of any committee, or fix the compensation of any member of a committee;

6.4.5 Adopt, amend, or repeal the bylaws or the articles of incorporation;

6.4.6 Adopt a plan of merger or adopt a plan of consolidation with another corporation, or authorize the sale, lease, exchange or mortgage of all or substantially all of the property or assets of the corporation; or

6.4.7 Amend, alter, repeal or take action inconsistent with any resolution or action of the board of directors when the resolution or action of the board of directors provides by its terms that it shall not be amended, altered or repealed by action of a committee.

## ARTICLE VII

### FISCAL MATTERS

SECTION 7.1. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SECTION 7.2. Contracts. The executive director and her or his express designees shall be authorized to execute contracts on behalf of the corporation. In addition, the board may authorize other officers or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, with such authority being either general or confined to specific instances.

SECTION 7.3. Loans and Indebtedness. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board with such authority being either general or confined to specific instances. No loan shall be granted to an officer or director of the corporation.

SECTION 7.4. Checks, Drafts, Etc., All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation or to the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors.

SECTION 7.5. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board may select.

SECTION 7.6. Budgets. The board of directors of the corporation shall prepare or have prepared the annual capital and operating budgets of the corporation.

SECTION 7.7. Maintenance of Records. The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its board of directors, and committees having any of the authority of the board of directors. All books and records of the corporation may be inspected by any director for any proper purpose at any reasonable time.

SECTION 7.8. Gifts. The board of directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes, or for any special purpose, of the corporation.

## ARTICLE VIII

### CONFLICTS OF INTEREST

SECTION 8.1. Conflicts of Interest Policy. The board of directors shall adopt by resolution a policy of the corporation and a mechanism for requiring disclosure of all conflicts of interest.

SECTION 8.2. Disclosure. In any transaction where a conflict of interest is believed to exist, the material facts of the transaction and the interest or relationship of any director shall be disclosed to the board or a committee consisting entirely of directors. The board or a committee authorized must approve or ratify the transaction by the affirmative votes of a majority of disinterested directors, even though the disinterested directors be less than a quorum.

SECTION 8.3. Quorum Determination. The presence of a director, who is directly or indirectly a party to a transaction with the corporation or a director who is otherwise not disinterested, may be counted in determining whether a quorum is present at any meeting of the board of directors or a committee of the board considering such a transaction.

SECTION 8.4. Voting. When the board of directors or a committee of the board takes action on a transaction, any director who is directly or indirectly a party to the transaction with the corporation or any director who is otherwise not disinterested may not be counted in determining whether or not the action was passed by the necessary majority.

SECTION 8.5. Interested Directors. For purposes of these bylaws, a director is "indirectly" a party to a transaction if the other party to the transaction is an entity in which the director has a material financial interest or of which the director is an officer, director or general partner.

## ARTICLE IX

### INDEMNIFICATION

SECTION 9.1. Basic Indemnification. The corporation may indemnify each of its officers and directors against expenses actually and necessarily incurred by them in connection with the defense or settlement of any action, suit or proceeding in which they are made parties, by reason of being or having been an officer or director, except in relation to matters as to which any such officer or director shall be adjudged in such action, suit or proceeding to be guilty of or liable for willful misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability. Indemnification shall be made only as authorized by a majority vote of disinterested directors or, if such a quorum is not obtainable, by independent legal counsel in a written opinion. Such right of indemnification shall not be deemed exclusive of any right, or rights, to which they may be entitled under any other bylaw, board resolution, agreement or otherwise.

SECTION 9.2. Insurance of Risk. The corporation's management shall have the authority to purchase and maintain insurance on behalf of any and all of its present and former officers, directors, employees or agents against any liability or settlement based on liability asserted to have been incurred by them by reason of being or having been officers, directors, employees or agents of the corporation.

## ARTICLE X

### NON-DISCRIMINATION

The corporation recognizes the rights of all persons to equal opportunity in employment, compensation, promotion, education, positions of leadership and power, and shall not at any time discriminate against any employee, applicant for employment, director, officer, contractor or any other person with whom it deals, because of race, creed, color, handicap, sex, national origin or age.

## ARTICLE XI

### AMENDMENTS

These bylaws may be amended by affirmative vote of a majority of the directors then serving at any meeting of the board of directors; provided that a brief description of such proposed amendment shall have been published in or with the notice of the meeting.