

Maine Hospital Association, Inc.
Bylaws

Updated May 2013

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ARTICLE I NAME

Section 1-1—Name

The name of the Association shall be the Maine Hospital Association, Inc. This Association is a nonprofit corporation organized under the Maine Nonprofit Corporation Act. References in these Bylaws to "Association" or "MHA" shall mean the Maine Hospital Association, Inc. unless otherwise specified.

Section 1-2 - Principal Office

The principal office of the Association shall be located in or near the City of Augusta, Maine.

ARTICLE II — MISSION

The mission of the Maine Hospital Association is to provide leadership through advocacy, information and education to support its members in improving the health of the patients and communities they serve.

ARTICLE III — MEMBERSHIP

Section 3-1 - Member

Members shall consist of hospitals, municipal hospitals, and hospital administrative districts licensed under the laws of the State of Maine, who pay dues and meet other Membership requirements set from time to time by the Board of Directors.

Section 3-2 - Voting Privileges

The Chief Executive Officer or designee of each Member as defined in Section 3-1 shall be entitled to the right to vote on behalf of that Member. Such designee shall be an employee or trustee of the designating Member.

Section 3-3 - Membership Application

Applications for Membership shall be addressed to the President, in writing, and signed by a duly authorized representative of the applicant. The applicant shall become a Member of the Association by vote of the Board of Directors.

Section 3-4 - Transfer of Membership

The Member may not transfer its Membership or any rights arising from Membership.

Section 3-5 - Annual Membership Meeting

The annual meeting of the Membership of the Association shall be held at the day, hour and place as may be designated by the Board of Directors of the Association.

Section 3-6 - Special Membership Meetings

Special meetings of the Membership for any purpose or purposes may be called by the Secretary upon request of the Chair of the Board, a majority of the Directors, or twenty percent of the voting Members of the Association, to be held at a date, time and place fixed by the Chair of the Board.

Section 3-7 - Notice of Membership Meetings

Notice of annual or special Membership meetings held at the direction of the Board or upon request of the Chair shall be given by or at the direction of the Secretary of this Association. Notice of special Membership meetings requested by twenty percent of the Members of the Association shall be given by the Secretary. Notice of the date, time and place for an annual or special meeting of the Membership shall be delivered personally to the CEO of Members or sent by first-class mail to the address of the Members as it appears on the Association's records, or if no address is given, at the place where the principal office of the Member is located, not fewer than 10 nor more than 50 days before the date of the meeting. Such notice shall state the general nature of the business to be transacted. The notice of any Membership meeting at which Directors are to be elected shall include the names of all those who are nominees at the time the notice is delivered or mailed. The attendance of a Member shall constitute a waiver of notice of the meeting, except where the Member attends only for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 3-8 - Action by Written Ballot or Consent

Any action which may be taken at any meeting of the Membership may be taken without a meeting if all Members shall, individually or collectively, consent in writing to such action. The written ballot or request for consent shall set forth the proposed action, provide an opportunity for the Members to specify approval or disapproval of any proposal and provide a reasonable period of time within which to return the ballot or written consent to the Association. Any written ballot cast or written consent delivered shall be filed with the Secretary of the Association and maintained in the corporate records. Such action by unanimous written consent shall have the same force and effect as the unanimous vote of the Membership at a meeting duly called and held. Directors may be elected by written ballot or consent as herein provided.

ARTICLE IV — AFFILIATIONS

Section 4-1 - Corporate Affiliates

Corporate Affiliates shall consist of organizations interested in furthering the purposes of the Association, but not eligible for any other affiliation or Membership, who pay dues and meet other Membership requirements set from time to time by the Board of Directors. Representatives of Corporate Affiliates shall be eligible for appointment to councils, committees and task forces. Representatives of Corporate Affiliates shall not be entitled to vote as Members of the Maine Hospital Association or be eligible for election or appointment to the Board of Directors.

Section 4-2 - State and Federal Affiliates

State and Federal Affiliates shall consist of state hospitals and Veterans Administration Hospitals located in Maine and licensed under the authority having jurisdiction over their operation, who pay dues and meet other Membership requirements set from time to time by the Board of Directors. Representatives of State and Federal Affiliates shall be eligible for appointment to councils, committees and task forces. Representatives of State and Federal Affiliates shall not be entitled to vote as Members of the Maine Hospital Association or be eligible for election or appointment to the Board of Directors.

ARTICLE V — DIRECTORS

Section 5-1 - Number, Qualification, Selection

- A. The Board shall consist of up to twenty-five Directors.
- B. Directors shall be employees or trustees of a Member or the Member's parent organization. A parent organization is defined as a public or private organization which wholly owns, is the sole Member or shareholder of, or holds the exclusive power to appoint the governing board of the following: one or more individually licensed Maine hospitals which are themselves Members, or two or more geographically distinct acute care facilities which are Members and are operated by the parent organization. The parent organization must be incorporated in the State of Maine and issue consolidated financial statements.
- C. All Directors shall be elected or appointed as herein set forth. Directors shall be chosen for their willingness and ability to effectively contribute to and support the objectives of the Association. Membership on the Board shall reflect the diversity of Member interests in keeping with the broad role of the Association in the communities it serves. To obtain the diversity necessary for operation of the Association, the Board shall be comprised as follows:
 - 1. Six Directors shall consist of the Chair of the Board, the Chair-Elect of the Board, the Immediate Past Chair of the Board, the Treasurer, the Secretary, and the President. ("Officer Positions")
 - 2. At least eleven Directors shall be at-large Directors, which may include up to three Trustees of Hospital Members, and one Director who shall be a representative of the OMNE: Nursing Leaders of Maine. ("At-Large Positions")
 - 3. The chair of each council created pursuant to Section 9-1, and the AHA Delegate shall be Ex Officio Director positions.
- D. Prior to the annual Membership meeting, the Members shall by written ballot elect replacements for Directors of this Association whose terms will expire prior to the next annual meeting of the Membership. Directors shall be elected by vote of the Members from a slate of nominees selected by the Nominating Committee as described at Section 5-2 of these Bylaws.
- E. The terms of all At-Large elected Directors shall be for two years, and appointments shall be staggered. No At-Large Director shall serve more than two consecutive terms.

Section 5-2 - Nominations

Nominations of Directors for full terms shall be proposed by the Nominating Committee. In preparing its annual slate, the Association's Nominating Committee will work to ensure that the Association's Board of Directors reflects the diversity of the Association's membership. The Committee should develop slates that are appropriately balanced to reflect the broad geographic distribution of the Association's membership, the size of the individual member organizations, both urban and rural locations and representation by independent organizations as well as system members. The Nominating Committee shall submit its recommendations to the Membership annually for election to the Association's Board of Directors. The Nominating Committee shall consist of the Officers of the Association.

Section 5-3 - Powers and Responsibilities

The governance of the affairs of the Association, including oversight of its finances, shall be vested in its Board. The Board shall have and exercise all of the rights and privileges legally exercisable by the Association, except as otherwise provided by the Articles of Incorporation or these Bylaws. Each Director is expected to attend at least 70% of meetings per calendar year. In

the event a Director's attendance falls below 70%, following a discussion between that Director and the Chair, the Chair may ask the Board to recommend the Director's removal to the membership.

Section 5-4 - Compensation

With the exception of the President, Directors shall serve without compensation except for reimbursement for reasonable expenses and as otherwise specifically provided by a resolution of the Board. Directors may be reimbursed for out-of-pocket expenses incurred in attending meetings and carrying out duties and functions directly related to the Association's business.

Section 5-5 - Vacancies

Appointments to fill vacancies on the Board of Directors occurring during a term shall be made by the Chair of the Board and any person appointed to fill the vacancy shall serve until the next Annual Meeting.

Section 5-6 - Removal

Any Director may be removed from office, with or without cause, by vote of two-thirds of the Membership. Reasons for removal may include, but are not limited to, failure to attend three consecutive meetings and failure to diligently perform the duties of Directors, and such other reasons as provided in the Maine Nonprofit Corporation Act. In the event any one or more of the Directors is so removed, new Directors shall be appointed by the Chair of the Board and shall serve until the next Annual Meeting.

ARTICLE VI — MEETINGS OF THE BOARD

Section 6-1 - Regular Meetings of the Board

Regular meetings of the Board shall be held at such frequency, time and place, as the Board shall from time to time determine, at least six times per year.

Section 6-2 - Special Meetings of the Board

Special meetings of the Board may be called at any time by the Chair of the Board, any five Directors or the President.

Section 6-3 - Place of Meetings of the Board

All regular meetings of the Board, except as herein otherwise provided, shall be held at the principal office of the Association or such other place within the State of Maine as the Chair of the Board or the Directors requesting such a meeting may designate.

Section 6-4 - Notice

Regular and special meetings of the Board shall be held upon ten days' notice to each Director by first-class mail or 48 hours' notice to each Director delivered personally or by telephone, e-mail, or facsimile transmission. The attendance of a Director at any meeting shall constitute a waiver of notice of the meeting, except where a Director attends a meeting only for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6-5 - Quorum of the Board

A majority of the whole number of Directors presently serving and empowered to vote shall constitute a quorum for the transaction of business. However, a majority of those present at the time and place of any meeting, although less than a quorum, may adjourn the same from time to time or from day to day, without further notice, until a quorum shall attend, and when a quorum shall attend, any business may be transacted which might have been transacted at the meeting had the same been held on the day on which the same was originally appointed or called. The Directors present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

Section 6-6 - Manner of Acting

The act of a majority of Directors empowered to vote and present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or these Bylaws.

Section 6-7 - Presiding Officer

The Chair of the Board, or in his or her absence, the Immediate Past Chair, or in his or her absence, the Chair-Elect or in the absence of both, a Chair selected by the Directors present, shall call the meeting to order and shall preside.

Section 6-8 - Telephonic Meetings

Directors may participate in a regular or special meeting of the Board through use of conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another. Participation in a meeting pursuant to this Section 6-8 constitutes presence in person at such meeting.

Section 6-9 - Action in Lieu of Meeting of the Board

Any action required or permitted to be taken by the Board may be taken without a meeting, if all Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of proceedings of the Board. Such action by unanimous written consent shall have the same force and effect as the unanimous vote of the Directors at a meeting duly called and held.

ARTICLE VII — OFFICERS

Section 7-1 - Officers

The Officers of the Association shall be a Chair of the Board, a Chair-Elect of the Board, an Immediate Past Chair of the Board, a President, a Treasurer, and a Secretary.

Section 7-2 - Election and Term

The Board of Directors shall select and appoint the President. All other Officers of the Association shall be elected by the Membership. Any Officer may be removed as an Officer with or without cause by a majority vote of the Directors. This provision shall in no way interfere with the terms of any employment contract.

Section 7-3 - Resignation

Any Officer may resign at any time by giving written notice to the Board, subject to the rights, if any, of the Association under any contract to which the Officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7-4 - Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, failure to maintain an employee status with a Member or any other cause shall be filled as follows:

- A. When a vacancy exists in the office of Chair of the Board, the Immediate Past Chair of the Board shall become Chair of the Board for the remainder of the vacated term of office. If the Immediate Past Chair is unwilling or unable to serve, the office shall be filled by the Chair-Elect of the Board.
- B. Vacancies in the offices of the Secretary or Treasurer shall be filled for the remainder of the term by appointment by the Chair of the Board with approval of the Board of Directors.
- C. A vacancy in the office of AHA Delegate shall be filled for the remainder of the term by appointment by the Chair of the Board with approval of the Board of Directors.
- D. A vacancy in the office of President shall be filled by appointment by the Executive Committee with the approval of the Board of Directors.

Section 7-5 - Chair of the Board

The Chair of the Board shall preside at all meetings of the Board and exercise and perform such other powers and duties as may be, from time to time, assigned to the Chair of the Board by the Board or prescribed by these Bylaws.

Section 7-6 - Immediate Past Chair of the Board

The Immediate Past Chair, in the absence or refusal of the Chair of the Board to act, shall have the same powers and duties as the Chair of the Board and shall have in addition any powers and duties that the Chair of the Board from time to time delegates to him or her. The Immediate Past Chair shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

Section 7-7 - President

The President shall be the General Manager and Chief Executive Officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the business of the Association. The President shall be given the necessary authority and responsibility to operate the Association in all of its activities, subject to the following: with respect to policy development, program planning and employee and community relations, the President shall be subject to such policies as may be adopted and such orders as may be issued by the Board or any of its committees to which the Board has delegated the power for such action; and with respect to program execution and overall management performance, the President shall be subject to the authority of and shall report to the Chair of the Board of Directors. The President's performance evaluation and compensation shall be set annually by the Executive Committee.

The President shall act as the duly authorized representative of the Board in all matters in which

the Board has not formally designated some other person to act. The President shall serve as a Member Ex-Officio without vote of all councils, committees, and task forces of the Association. The President shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

Section 7-8 - Secretary

The Secretary shall keep, or cause to be kept, a book of minutes in written form of the proceedings of the Board and committees of the Board. Such minutes shall include all waivers of notice, consents to the holding of meetings or approvals of the minutes of meetings executed pursuant to these Bylaws or the Maine Nonprofit Corporation Act. The Secretary shall give, or cause to be given, notice of all meetings of the Board required by these Bylaws or the Maine Nonprofit Corporation Act to be given. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

Section 7-9 - Treasurer

The Treasurer shall be responsible for all monies and securities of the Association and for keeping accurate books of account.

Section 7-10 - Compensation

With the exception of the President, Officers shall serve without compensation.

ARTICLE VIII —COMMITTEES OF THE BOARD OF DIRECTORS

Section 8-1 – Executive Committee

- A. There shall be an Executive Committee of the Board of Directors consisting of the Officers of the Association. In addition, the Chair of the Board, who shall serve as the Chair of this Committee, shall appoint two Members of the Board of Directors to the Executive Committee. Each appointment shall be for a one-year term, renewable for a second one-year term. To the extent possible, the appointed representatives shall be from regions not represented by the Officers.
- B. The Executive Committee of the Board of Directors shall have all the powers of the Board of Directors between meetings of the Board except as otherwise provided by law.
- C. All actions of the Executive Committee shall be reported to the Board of Directors.
- D. The Executive Committee shall meet as often as necessary. All Executive Committee decisions shall be subject to review by the Board of Directors at its next meeting.

Section 8-2 – Finance Committee

- A. The Executive Committee shall serve as the Finance Committee.
- B. The Finance Committee is responsible for reviewing and providing guidance for the Association's financial matters.
- C. The Finance Committee shall meet at least annually. All actions of the Finance Committee shall be reported to the Board of Directors.

Section 8-3 - Nominating Committee

- A. The Nominating Committee shall consist of the Officers of the Association. The Committee Chair shall be the Board Chair-Elect.

B. The Nominating Committee shall recommend to the Membership nominees for Directors and Officers not including the President.

C. The Nominating Committee shall report to the Board as often as necessary, but at least annually.

Section 8-4 – Pension Plan Committee

A. The Pension Plan Committee shall consist of the Board Chair, Chair-Elect, Treasurer, President and two hospital financial officers appointed by the Board Chair who will also serve as Chair of this Committee.

B. The Pension Plan Committee will provide oversight to ensure that the Maine Hospital Association Pension Plan operates for the sole benefit of the participants. Such oversight shall include, but not be limited to, regular investment fund review, compliance review and assessment of the program’s appropriateness for the employee population.

C. The Pension Plan Committee shall meet at least annually. All actions of the Pension Plan Committee shall be reported to the Board of Directors.

ARTICLE IX — COUNCILS AND COMMITTEES

Section 9-1 - General

The Maine Hospital Association’s policy development structure consists of councils and committees created or modified for the purpose of establishing an efficient approach to accomplishing the goals the Board sets each year.

Except as specified in these Bylaws or in any resolution creating an additional council or committee, the Members and Chair of each council and committee shall be appointed by the Chair of the Board. The Chair of each council and committee shall hold office for one year, renewable for a second one-year term. All other Members of each council and committee shall hold office for one year, renewable until their successors are appointed. The Chair of the Board shall have the power to fill any vacancies that occur on councils and committees for the remainder of the year.

The Chair of each council shall, by virtue of his or her appointment, serve as an ex-officio Director with vote.

The provisions of Sections 6-4, 6-5, 6-6, 6-8 and 6-9 of these Bylaws, regarding notice, quorum, manner of acting, telephonic meetings and action in lieu of a meeting, shall apply to councils and committees, except that references to the Board shall be construed as references to the council or committee, and references to Directors shall be construed as references to the council or committee Members. All councils and committees with the authority to act on behalf on the Board shall keep minutes of their meetings, which shall be filed with the Secretary. Councils and committees may be created, modified or discontinued by resolution of the Board of Directors. Councils and committees shall not exercise the power of the Board, but instead shall advise the Board unless otherwise authorized by the Board.

Section 9-2 - Ad Hoc Committees and Task Forces

A. Ad hoc committees or task forces may be appointed by the Chair of the Board for such special purposes as circumstances warrant. Individuals not on the Board but having special

knowledge or background shall be eligible for such appointments.

- B. Activities of an ad hoc committee or task force shall be limited to the accomplishment of those tasks for which it was appointed. The committee or task force shall have no powers except those specifically conferred by the Board.
- C. All ad hoc committees and task forces shall be accountable to the Chair of the Board. Upon completion of the stated purpose for which it was formed, the committee or task force shall be discharged.

ARTICLE X — RECORDS, REPORTS AND INSPECTION RIGHTS

Section 10-1 - Maintenance of Articles and Bylaws

The Association shall keep at its principal office the original or copies of the Articles of Incorporation and the Bylaws as amended to date.

Section 10-2 - Maintenance of Other Association Records

The accounting books, records and minutes of proceedings of the Board and committees of the Board shall be kept at such place or places designated by the Board, or, in the absence of such designation, at the principal office of the Association. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept in either written or typed form or in any other form capable of being converted into written, typed or printed form.

Section 10-3 - Inspection by Directors

The accounting books, records and minutes of proceedings shall be available for inspection by Directors during business hours.

Section 10-4 - Corporate Annual Report

The Board of Directors shall have the power to fix and, from time to time, change the fiscal year of the Association. The Treasurer shall provide to the Directors, within 120 days after the close of its fiscal year, a report containing the following information in reasonable detail:

- A. The assets and liabilities, including the trust funds, of the Association as of the end of the fiscal year;
- B. The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- C. The revenue or receipts of the Association both unrestricted and restricted to particular purposes, for the fiscal year;
- D. The expenses or disbursements of the Association, for both general and restricted purposes, during the fiscal year;
- E. Any information required by the Maine Nonprofit Corporation Law regarding transactions with interested persons and indemnification; and
- F. The report shall be accompanied by any report by independent accountants, or, if there is no such independent report, a certificate to the effect that the report was prepared without audit.

ARTICLE XI — EXECUTION OF DOCUMENTS

Unless the Board of Directors provides otherwise, any Board Officer, the President or any Vice President of MHA, acting singly, is authorized to execute all documents, including but not limited to bills, notes, checks, negotiable instruments, deeds, bills of sale, or other writings in the name of

and on behalf of MHA.

ARTICLE XII — SPECIAL VOTING REQUIREMENTS AND TRANSACTIONS REQUIRING APPROVAL OF THE GENERAL MEMBERSHIP

Section 12-1 - Matters Requiring Approval

In addition to any other provisions contained in these Bylaws that require approval, vote or consent of the Membership, neither the Board nor any Officer or employee of the Association may take any of the following actions without the following additional approvals:

- A. Transactions requiring a Board Vote (which is defined as the affirmative vote of a majority of the Members of the Board present and voting):
 - 1. Adoption or amendment of operating budgets and capital budgets.
 - 2. Adoption or amendment of the Association's business plan.
 - 3. Expenditures beyond approved budgets and in excess of a dollar amount to be set by the Board.
 - 4. Borrowing in excess of a dollar amount to be set by the Board (for the purpose of this Section 12-1A, "borrowing" includes, but is not limited to, lease agreements and installment contracts).
 - 5. Purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a value in excess of a dollar amount to be set by the Board and not previously included in the capital budget.
 - 6. Appointment of an independent auditor.
 - 7. Approval of selection of the President.

- B. Transactions requiring a Super-Majority Vote (the affirmative vote of two-thirds of the Directors then in office):
 - 1. Merger, consolidation, reorganization or dissolution of the Association.
 - 2. Amendment or restatement of the Articles of Incorporation or the Bylaws of the Association.
 - 3. Sale, encumbrance, or disposal of all or substantially all of the assets of the Association.
 - 4. The creation of any subsidiary organization.
 - 5. Significant changes in the activities, purpose, or mission of the Association.
 - 6. Approval of transactions of this Association in which a Director or Officer of the Association has a material financial interest.

- C. Actions of the Board requiring ratification of the Membership:
 - 1. Merger, consolidation, reorganization, dissolution or sale of substantially all of the assets of the Association.
 - 2. Amendment or restatement of the Articles of Incorporation or the Bylaws of the Association.
 - 3. The creation of any subsidiary organization.

ARTICLE XIII — BONDING AND INDEMNIFICATION

Section 13-1 - Bonding

All Officers and employees handling funds shall be properly bonded.

Section 13-2 - Indemnification

The Association shall indemnify any person who was or is a party or is threatened to be made a party to any civil, criminal, administrative or investigative proceeding by reason of the fact that such person is or was a Director, Officer, employee or otherwise an agent of the Association, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, provided that all of the requirements of the Maine Nonprofit Corporation Law for such indemnification are met.

ARTICLE XIV — AMENDMENTS

These Bylaws may be amended or new Bylaws may be adopted by action of the Board at any regular meeting or at any special meeting called for that purpose. Amendments shall not be effective unless and until approved by the Membership. In addition, any amendments described at Section 12-1 B or C of these Bylaws shall be approved by the applicable vote requirements set forth therein.

ARTICLE XV — NONPROFIT NATURE/DISSOLUTION

Section 15-1 - Private Investment Prohibited

No Member, Director, Officer, employee, or Member of a committee of, or person connected with the Association, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operation of the Association, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Association in effecting its purpose or objectives as shall be fixed by the Board of Directors. No such person shall be entitled to share in the distribution of any of the assets upon the dissolution of the Association.

Section 15-2 - Charitable Use

All Members of the Association shall be deemed to have expressly consented and agreed that upon the dissolution and termination of the affairs of the Association, whether voluntary or involuntary, the assets of the Association, after all debts have been satisfied, shall be transferred, conveyed, and delivered and paid over in such amounts as the Board of Directors may determine, or as may be determined by a court of competent jurisdiction upon application of the Board of Directors, exclusively to charitable, religious, scientific, literary, or educational organizations which would then qualify under the provisions of Section 501(c)3 of the Internal Revenue Code or its successor and its regulations as they now exist or as they may hereafter be amended.

Section 15-3 - Voluntary Dissolution

Voluntary dissolution of the Association shall not occur until it has been recommended by the Board of Directors, and affirmed by a vote of two-thirds of the Members present and voting at an Annual or Special Meeting of the Association. Notice of such proposed action shall be given pursuant to these bylaws not less than 10 days prior to the scheduled meetings at which the action is to be considered.