

PROPOSED BYLAWS

National Association of Housing Cooperatives, Inc.
as revised through November 12, 2011 Draft Proposed Amendments 9/2/19 With 12/31 Board and 1/23/20 Sub-Com &
GSPC Edits [and now with Lawyer's edits 4/18/2020 and Board/Com Edits thru 5/1/2020](#)
Hereinafter referred to as NAHC

Article I Purpose and Program

Purpose of NAHC

1. To promote through research, education, forums, and other appropriate means, the development of new, and preservation of existing, housing cooperatives.
2. To establish standards for the operation of housing cooperatives, which will ensure maximum long-term benefits to their owner-occupants.
3. To develop programs and services to benefit, strengthen and improve its member organizations and housing cooperatives.
4. To promote the development of other self-help activities among the members of housing cooperatives.
5. To facilitate the exchange of information and ideas within the housing cooperative community and all interested parties.
6. To formulate programs in the common interest of consumers in housing matters.
7. To speak, upon request, in the name of, and/or on behalf of, its member organizations for their mutual aid on matters affecting housing for consumers and to ensure that cooperative housing makes the maximum contribution to addressing the overall problem of housing, in the United States.
8. To encourage, assist, and support the development, operation, and maintenance of strong regional, state and special purpose housing-cooperative associations, and further, to encourage membership in the appropriate associations.
9. To promote the highest ethics in the development, governance (including Boards of Directors), and operation of cooperative housing.

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Article II Definition and Principle

Section 1. Definitions:

Cooperative: A cooperative is an entity that owns or leases the assets that produce a benefit for its member/shareholders and operates in accordance with the Rochdale principles.

Housing Cooperative: A housing cooperative is an entity that owns or leases housing for the purpose of providing shelter for its member/shareholders in accordance with the Rochdale principles.

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Affiliated Association: An association or similar group whose primary members are housing cooperatives, organized on a state, regional, or special purpose basis, representing at least two cooperative housing corporations that have separate Boards of Directors and complying with the policy on Affiliated Associations as set by NAHC. Affiliated Association members may include among their membership, in addition to housing cooperatives, other owner-occupied multi-family residential entities, not in excess of 10% of its total votes.

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Section 2. Rochdale Principles Summarized:

- a.) Voluntary and Open Membership
- b.) Democratic Member Control
- c.) Member Economic Participation
- d.) Autonomy and Independence
- e.) Education, Training and Information
- f.) Cooperation among Cooperatives
- g.) Concern for Community

Article III Membership

Section 1. Members shall subscribe to the principles set forth in Article II and shall be admitted in accordance with these Bylaws and such rules and requirements as may be prescribed by the Board and will consist of the following categories:

- A. **Housing Cooperatives:** Housing Cooperatives may join NAHC directly (Direct Member) or, if they are a member of an Affiliated Association, as defined in Article II above, may join through their Association (Affiliated Association Member).
- B. **Organizational Members:** Individuals or firms which provide professional services to housing cooperatives, or which support the purposes of NAHC, and subscribe to the purposes of NAHC.

- C. **Individuals:** Persons who support housing cooperative and wish to support NAHC
- D. **Supporting Members** Any firm, or organization which subscribes to the purposes of NAHC and desires to support its work, but which is otherwise ineligible for membership The Board may designate subcategories of Other Members for the purpose of establishing dues rates.

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Section 2. Any qualified applicant shall be accepted for membership upon proper application and the payment of member dues. The Board of Directors shall determine the qualification and proper category of all applications for membership and may delegate, by Resolution, this determination to the Executive Director. The Board of Directors may deny the membership of an applicant by a simple majority of Board Members present and voting once the applicant is provided an opportunity to be heard.

Section 3. All housing cooperatives which are eligible to join an Affiliated Association should be members of said Association, and should join NAHC through that Association. However, if a housing cooperative believes that it is in its best interest to join NAHC as a Direct Member it may do so.

Commented [MS1]: Can a co-op that is a direct member also be a member of an Affiliated Association?

Commented [RM2R1]: Yes, but the Affiliated Association does not vote on its behalf.

Section 4. The rights of membership (except as provided for in Article V below) shall not be transferred or assigned. The rights of membership claimed through an Affiliated Association may be claimed only by members and/or employees of a housing cooperative represented by the Affiliated Association or by employees of the Affiliated Association.

Section 5. A member may withdraw from NAHC by presenting a resignation request in writing to the Board of Directors.

Section 6. The membership of any member shall be automatically suspended upon the member's failure to pay membership dues to NAHC, and automatically terminated should the member no longer qualify to be a member of the NAHC

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Article IV Dues and Obligations of Members

Section 1. Members shall pay dues as shall from time to time be determined by the Board of Directors, provided that dues shall be fair and equitable for each class of membership.

Section 2. Members, other than Affiliated Association Members, are required to remit their annual dues payment within sixty (60) days of the first annual billing dated. Any payment not remitted in full shall result in the suspension of all membership rights of the member until all such amounts due are remitted.

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Section 3. Members who have been suspended may be automatically reinstated up to twenty-one (21) calendar days prior to the Annual Meeting of NAHC's members, by payment of total dues owed, any administrative charges imposed by the Board of Directors, and, for Affiliated Association Members, forwarding to NAHC the required information on membership and the number of distinctly separate appurtenant housing units or lots associated with an authorized share of stock.

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Article V Meetings of Members

For the purposes of this Article, the term "Members" shall mean Housing Cooperatives (including Affiliated Associations), Organizational, Individual, and Supporting Members.

Section I. Notices. Written notice of the time and place of every Meeting of the Members shall be delivered personally or sent by mail, e-mail, or facsimile at least ten (10) days previous thereto to each Member's mail or e-mail address or facsimile number appearing on the books of NAHC, unless the Member shall have filed with the NAHC Secretary a written request that notices intended for the Member be mailed to some other address as designated in such request. Meetings may be held without notice if all Members are present thereat, or if notice is waived by all those not present. Such notice served upon Affiliated Association Members are deemed served to all representative Members of the Affiliated Association.

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Waiver of Notice of Meetings of Members. Any written waiver of notice, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Members need be specified in any written waiver of notice or any waiver by electronic transmission.

Section 2. Quorum. Members representing thirty-five percent (35%) of the total eligible votes at the Annual Meeting based upon current dues paid shall, except as otherwise provided by law, constitute a quorum at all Meetings of the Members. If there be no such quorum, a majority of the members so present may adjourn the meeting from time to time without further notice thereof until, with subsequent notice in accordance with Section 1 of Article V, a quorum shall have been obtained.

Section 3 Duties at Meetings. Meetings of the Members shall be presided over by the President or in the President's absence, by a Vice President beginning with the Executive Vice President, or if neither the President nor a Vice President is present, by the Secretary, or if none of the foregoing is present, by a Chair chosen at the meeting. The NAHC Secretary shall act as secretary of the meeting if present. In the absence of the Secretary, the Chair of the meeting shall designate a person to act as Secretary thereat.

Section 4. Certifications. A Credentials Committee shall be appointed by the Chair to certify Delegates; individuals appointed by a member other than an Individual Member to represent their membership. (delegates are not defined. Change word or define delegate) voting strength, and eligibility of candidates for the Board of Directors The Credentials Committee shall be comprised of three (3) persons who are at present serving as a member of the NAHC Board of Directors and two (2) persons who have been determined, in advance, to be in attendance at each respective Meeting of Members.

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- Commented [MS3]: I added a definition for discussion purposes.
- Commented [RM4R3]: Inserted semi-colon rather than comma. Delegates are stated in the AoI, so a definition is needed.

Section 5. Rules of Meetings. All meetings of Members shall be conducted according to the most current edition of Robert's Rules of Order. The items of business and procedure at the Annual Meeting and at other NAHC meetings , as far as applicable shall include: (1) certification of voting strength and determination of a quorum; (2), reading and consideration of minutes of last meeting; (3) election of directors; (4) reports of officers and committees; (5) appointment of directors by Affiliated Association Members; (6) completion of unfinished business; (7) transaction of new business; and (8) adjournment, all of which may be arranged in an order conducive to the transaction of business. Except as otherwise required, all questions shall be decided on the basis of those present and voting. On all matters which are tallied, the vote count will be tallied and recorded to include the method of voting, and the result and tally shall be announced by the presiding officer and included in the minutes.

- Commented [MS5]: I think minutes should be first and a copy should be provided to each attendee and there should be a motion to dispense with the reading and approve the minutes.
- Commented [RM6R5]: I'm okay with this. We usually make a motion to amend the agenda. This amendment was to streamline the order.
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Section 6. Voting. Except for the limits contained in this section, at all meetings of NAHC, each Housing Cooperative Member shall have one vote for each number of distinctly separate appurtenant housing units or lots associated with an authorized share of stock for which it has paid dues, and each Affiliated Association Member shall have the cumulative number of votes which its member cooperatives and other owner-occupied multi-family residential entities for whom it has paid dues would have if they were Housing Cooperative Members. Where a Housing Cooperative Member has paid additional dues as a Member of the Affiliated Association, and is present to exercise its voting rights its voting strength shall be represented only through its Housing Cooperative Membership and no votes shall be allocated on behalf of such voting strength to the Affiliated Association(s) of which they are also members. NAHC Individual, Professional, and Supporting Members shall have a voting strength of one (1) vote per Member.

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- Commented [MS7]: You might want to move this up to Article III Section 3.
- Commented [RM8R7]: I'm good with leaving it here.
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All reasonable care will be taken by NAHC to ensure that all Members shall have their full voting rights, but in no instance, shall any Housing Cooperative Member exercise more than ten percent (10%) of all votes tallied, nor shall an Affiliated Association Member be authorized to vote more than fifteen percent (15%) of those votes tallied.

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Each Member shall appoint one Delegate and one alternate Delegate to cast the authorized vote(s) of the Member. A delegate may not vote by proxy.

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Section 7 Voting Strength. Delegates and voting strength at the Annual and other Meetings of the Members shall be certified by a Credentials Committee, based upon the current active membership list as of (fifteen (15) days prior to such meeting, and approved by the membership as the first order of business at each Annual and other Meeting of the Members. Upon request for a roll call vote, each Member or Delegate shall respond with the vote of the Member.

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Section 8. Meeting Attendance. Meetings of the Members of NAHC, as authorized by these Bylaws, may be conducted telephonically or electronically, provided that such electronic participation is i) authorized by the applicable corporation's Act of the state of incorporation, and ii) conforms with the applicable Meeting of Member's Policy, established from time to time by the NAHC Board of Directors. Any such Meeting of the Member's Policy of NAHC must provide that each attendee, either in person, telephonically, or electronically, may hear and be heard at all times. [\(The lawyer's note here says to delete this entire subsection, as Delaware law permits electronic or telephone attendance\).](#)

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Article VI Board of Directors

Section 1. Qualification. The affairs of NAHC shall be managed by the Board of Directors. Directors shall be members or representatives of members.

Section 2. Number of Directors. The Board of Directors shall consist of: (a) fifteen (15) directors to be elected by the members for three (3) year terms, with five (5) to be elected each year; plus (b) as many additional directors as shall be appointed under Section 4 below.

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Section 3. Term. At each Annual Meeting, five (5) directors shall be elected for a three (3) year term.

Section 4. Appointed Directors. In addition to the directors elected under Section 3, each Affiliated Association Member representing at least five (5) Housing Cooperatives and 600 distinctly separate appurtenant housing units or lots associated with an authorized share of stock shall appoint (a) one (1) director for its first six hundred (600) distinctly separate appurtenant housing units or lots associated with an authorized share of stock for whom it has paid dues, (b) one (1) additional director for the next two thousand (2,000) of its distinctly separate appurtenant housing units or lots associated with an authorized share of stock for whom it has paid dues, and (c) one (1) additional director for the next five thousand (5,000) distinctly separate appurtenant housing units or lots associated with an authorized share of stock for whom it has paid dues, and (d) one (1) additional director for the next ten thousand (10,000) of its distinctly separate appurtenant housing units or lots associated with an authorized share of stock for whom it has paid dues. Directors so appointed shall serve one (1)-year terms. No Affiliated Association Member shall have more than four (4) appointed directors. Resignations or vacancies in positions of appointed directors shall be filled by the Affiliated Association Member which made the original appointment. [Notwithstanding the above, the Affiliated Association Member appointed directors shall be automatically confirmed after the election of directors at each Annual Meeting and the replacement authorized of any such appointed director for the balance of their term by said Affiliated Association Member for proper representation.](#)

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Each appointed director shall be either (a) a member of the governing body, or an officer or employee of the appointing Affiliated Association Member; or (b) a member of the governing body, or an officer or employee of a Housing Cooperative for which the appointing Affiliated Association Member has currently paid dues. The eligibility of the appointed director shall be certified in writing, at the time of appointment, by the appointing Affiliated Association Member.

Section 5. Eligibility. To be eligible to be elected to the Board of Directors, any candidate must: (a) Be a representative of a Housing Cooperative or Member directly; or (b) Be a representative of a Housing Cooperative Member which is a Member through an Affiliated Association; or (c) Be a Professional, Individual, or Supporting Member or a designated representative of a Professional, Individual, or Supporting, defined as an Officer, Director, Employee, or Member. All such candidates included in (a), (b), or (c) above shall, (a) File a nominating petition with NAHC's Credentials Committee by 5:00 PM two calendar days prior to the Annual Meeting; and (b) Be certified as eligible by the Credentials Committee in order to be an eligible candidate.

Further, the Affiliated Association Member shall sponsor a candidates' forum at a convenient time prior to the Annual Meeting and after petitions are to be turned in, and any candidate for the Board should attend said forum. The above criteria shall not preclude a member from being a candidate who could not be present at the Annual Meeting or candidate's forum. Petitions and attendance at the candidates' forum and Annual Meeting can be accomplished by another member representing the absent member. Members not represented by an Affiliated Association shall also be entitled to participate in a sponsored candidates' forum at a convenient time prior to the Annual Meeting.

Section 6. Quorum. One-third of the directors then holding office, but in no event less than ten (10), shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors a quorum shall not be present, a majority of those present may adjourn the meeting from time to time, without further notice, until a quorum shall have been obtained.

Section 7. Vacancies. Except as otherwise provided for in these Bylaws, any vacancy in the elected members of the Board of Directors, arising from any cause may be filled by the remaining directors at a duly called meeting of the Board of Directors and the person so chosen shall hold office until the next Annual Meeting at which a director shall be elected to fill the remainder of such unexpired term, if any

Section 8. Location and Notice. Meetings of the Board of Directors shall be held at such place, within or outside of the District of Columbia, as may from time to time be fixed by resolution of the Board of Directors, or as specified in the Notice of Meeting of any meeting. Regular meetings of the Board of Directors shall be held at such time as may be fixed by resolution of the Board of Directors. Special meetings may be held at any time on call of the President or upon request of any five directors by oral or written notice duly served, or sent by mail, e-mail, or facsimile to each director no less than ten (10) days before each meeting. Meetings may be held at any time without notice if all directors are present, or if all those not present waive notice in writing, either before or after such meeting. There shall be a minimum of two meetings of the

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Board of Directors annually. Any Board member may telephonically or electronically attend any meeting of the Board of Directors provided that all meeting attendees can hear and be heard, and the telephonic or electronic attendance at such meeting is in conformance with NAHC's policy governing such attendance, which shall be established, from time to time, by the NAHC Board of Directors.

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Waiver of Notice of Meetings of Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the directors, or members of a committee of directors, need be specified in any written waiver of notice or any waiver by electronic transmission.

Section 9. Committees. The Chair of the Board of Directors may designate one or more committees and appoint a Chair for each Committee. Such committee or committees shall have such name or names as may be determined from time to time by the Chair. Each such Committee may meet at stated times, or upon call of its Chair. The Committees shall keep regular minutes of their proceedings and report the same to the Board of Directors. Committees may vote on any advisory action of the Committee outside of the Committee meeting by mail, email or facsimile. All Committees shall be chaired by a board member and shall consist of other board members and/or individual members of NAHC or of NAHC's members.

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Section 10. Resignation and Removal. Any director may resign at any time giving written notice to the President of NAHC. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any director may be removed by a two-thirds (66.67%) majority of the Board of Directors present and voting for cause, provided that the director is given written notice of the proposed removal and the opportunity to respond: "Cause" shall be limited to:

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- a) failure to attend two or more consecutive board meetings without acceptable excuse;
- b) the failure of the director, or the Housing Cooperative Member or Affiliated Association Member which the director represents, to pay dues in a timely fashion; or
- c) intentionally filing a false statement required under Article IX,

any other requirement as provided by Article IX. Affiliated Association Members shall be informed of the absences of their appointed directors, when a director has been absent for two consecutive meetings of the Board.

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failing to disclose a conflict of interest event that arises during any term of service¶
failing to sign and file the Board Member Agreement form¶
failing to abide by and conform with the NAHC Code of Ethics¶

Section 11. Proxy. There shall be no alternates and no proxy voting at meetings of the Board of Directors or Executive Committee.

Article VII Executive Committee

Section 1. Authority. There shall be an Executive Committee to establish general practices for the regular operation of NAHC, conduct routine affairs of NAHC, and exercise the powers and perform all of the duties of the Board of Directors, excluding the filling of vacancies between meetings of the Board of Directors and unless otherwise directed by these Bylaws to be done by others or prohibited by Delaware law. Any action of the Executive Committee shall be considered adopted as formal action of NAHC so long as it receives a simple majority of the members present and voting and shall report any action taken to the full Board of Directors. An Executive Committee Meeting may not substitute for a regularly scheduled Board meeting.

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Section 2. Qualification and Number. The Executive Committee shall consist of the elected officers of NAHC, and such other directors as may be elected at a regular meeting of the Board of Directors. The number of additional directors on the Executive Committee shall not exceed four (4), and will be set at the first meeting of the Board following the Annual Meeting each year.

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Meetings of the Executive Committee shall be held as determined necessary by NAHC. Special meetings of the Executive Committee may be held anytime on call of the President, or upon the request of any two members of the Executive Committee, provided that one (1) business days' notice has been given. Members of the Board of Directors may attend meetings of the Executive Committee and may speak at such meetings when recognized by the Presiding Officer. Draft Minutes of Executive Committee meetings, including conference call Executive Committee meetings, shall be distributed to members of the Board of Directors no less than fourteen (14) calendar days following each Executive Committee meeting.

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Section 3. Quorum. A quorum of a meeting of the Executive Committee shall consist of a simple majority of the members of the Committee.

Section 4. Notice. Meetings of the Executive Committee shall be held in accordance with these Bylaws, except that a special meeting of the Executive Committee may be held any time on call of the President, or on request of any two members of the Executive Committee, provided that one (1) business day's notice has been given. Any Board member may telephonically or electronically attend any meeting of the Executive Committee provided that all meeting attendees can hear and be heard.

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Article VIII: Officers

Section 1. Qualifications. The Board of Directors as soon as may be possible after the Annual Meeting in each year, shall choose from among its own number: a Chair of the Board, a President, an Executive Vice President, a Secretary, a Treasurer, and such other officers as the Board shall deem advisable. No two of the aforesaid offices may be filled by the same person. Officers of NAHC shall be elected from among its Directors. The Board must, by a simple majority vote of

those directors present and voting at a duly called meeting, approve the person to serve as NAHC's Executive Director. NAHC's Executive Director may or may not be an employee of a firm hired to manage the affairs of NAHC.

Section 2. Term. The term of office of all officers shall be one (1) year, or until their respective successors are duly elected, but any officer may be removed from office at any time by the affirmative vote of a majority of all members of the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the majority vote of all then members of the Board of Directors.

Section 3. The Chair. The Chair of the Board shall preside over meetings of the Board of Directors. Further, the Chair shall appoint the chair and members of committees established by the Board of Directors. In the Chair's absence, these duties will be undertaken by the President or the President's successor under the succession noted in Section 5 of this article.

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Section 4. The President. The President shall be the Chief Executive Officer of NAHC, and shall have, subject to the control of the Board of Directors, general management responsibilities for the affairs of NAHC and perform all other duties incident to the office. The President shall preside at all meetings of the members and Executive Committee.

Section 5. The Executive Vice President. The Executive Vice President shall perform the duties of the President in the absence of the President, the inability of the President to act, or in the case of a vacancy in the office of President until such time that the Board elects a successor President pursuant to Section 2 above.

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Section 6. The Secretary. The Secretary shall keep the minutes of the Meetings of Members, of the Board of Directors, and the Executive Committee, and shall see that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law. The Secretary shall be custodian of the records, books, reports, statements, certificates, and other documents, as well as the seal of NAHC; all of which will be maintained in the offices of NAHC. The Secretary shall direct that the Corporate Seal be affixed to all documents requiring such seal, and in general the Secretary shall perform all duties and possess all authority incident to the office of the Secretary.

Section 7. The Treasurer. The Treasurer shall be NAHC's Chief Financial Officer. The Treasurer shall be responsible for the care and custody of the 1) financial books and records, 2) general financial documents, and 3) funds and securities of NAHC, causing them to be deposited into such banks or trust companies as the Board of Directors may determine. The Treasurer shall be the primary financial advisor to the Board of Directors, and shall perform such other duties and have all authority incident of the office of the Treasurer and/or as approved by the majority vote of all then members of the Board of Directors. The duties of the Treasurer may be assigned, either in whole or in part, to an Executive Director or management

firm responsible for the discharge of said duties, as approved by the majority of all members of the Board of Directors.

Section 8. The Executive Director. The Executive Director shall be, subject to the instructions of the President, the Chief Administrative Officer of NAHC, and shall supervise the daily work undertaken by NAHC.

Section 9. Duties. Each officer of NAHC shall perform such other duties as may be assigned by the Board of Directors.

Article IX Conflicts of Interest and Contracts

Section 1. Conflict of Interest Policy and Ethics. The Board of Directors shall adopt and may, from time to time, modify, a Conflict of Interest Policy, which shall apply to all Directors, Officers, Employees and Committee Members (collectively the Insiders). The policy shall define conditions which may create conflicts of interest and require disclosure. All Board members are expected to comply with all NAHC's standards for ethical behavior.

Section 2. Disclosure. Upon election or appointment to an Insider position, but no later than thirty (30) days thereafter, or no later than 30 days after it is created, all Insiders shall disclose conditions which may pose conflicts of interest by signing a board approved disclosure statement. Disclosure statements shall be available to any director or member of NAHC on request. When any matter comes before the Board or any Committee of the Board in which an Insider has a conflict of interest, that interest shall be immediately disclosed to the Board or Committee.

Section 3. Voting. No Insider shall vote on any matter in which he or she has a conflict of interest.

Section 4. Non-Participation. The Board may, by majority vote, require any director who has a conflict of interest in a matter not to participate, or to leave the meeting room, during which a discussion is taking place regarding such conflict, provided, however, that the interested director may participate in any discussion regarding his or her exclusion.

Section 5. Resignation. No individual who has an actual conflict of interest shall be required to resign his or her position with NAHC merely because of the existence of a conflict. However, the Board of Directors (excluding the affected Insider) may make a fair and full evaluation of all facts pertaining to the conflict of interest to determine its extent. If the remaining members of the Board of Directors make a determination, by majority vote, or, in the case of a director, 66.67% of the entire Board (excluding the affected Insider), that the nature and extent of the conflict of interest is so substantial and of such a continuing nature that it would be impossible for the Insider to discharge the duties of his or her office with the requisite

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degree of loyalty and integrity, then the Board of Directors may require the resignation of the Insider who is subject to the conflict of interest.

Section 6. Educational Training Services Review Committee. At its first meeting each year, the Board shall elect no less than three (3) but no more than five (5) persons to the Educational Training Services Review Committee, composed entirely of directors who have not and do not anticipate contracting for financial gain with NAHC. This Committee shall review, solely for the purpose of preventing conflict of interest or the appearance of such conflict, any proposed contracts for provision of professional services in which a director, officer or employee is a potential recipient of payment or benefit, other than in their capacity as such, regardless of amount. All decisions of the Educational Training Services Review Committee shall be final unless and until overridden by the Board of Directors.

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Section 7. Code of Ethics. The Board of Director shall create, and periodically update as found to be necessary, a Code of Ethics that bides each director and formally governs the action and behaviors of members of the Board of Directors, Officers, and Committee persons. Failure to comply with the provisions of Article IX shall disqualify a member from sitting in any Insider position, including as an elected or appointed director.

Article X Indemnification

Section 1. Right to Indemnification. NAHC shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative (a "proceeding") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director, officer, or member of NAHC or is or was serving at the request of NAHC, as a director, officer, member, employee or agent of another corporation or of a partnership, joint venture, trust, other enterprise or non-profit entity, including service with respect to employee benefit plans (an "indemnitee"), against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such indemnitee. NAHC shall be required to indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if the initiation of such proceeding (or part thereof) by the indemnitee was authorized by the Board of Directors of NAHC.

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Section 2. Advancement of Expenses. NAHC shall pay the expenses (including attorneys' fees) incurred by an indemnitee in defending any proceeding referred to in Section 1 in advance of its final disposition; provided, however, that the payment of expenses incurred by an indemnitee in advance of the final disposition of such proceeding shall be made only upon receipt of an undertaking by or on behalf of the indemnitee to repay all amounts advanced if it should ultimately be determined that the indemnitee is not entitled to be indemnified under this Article X or otherwise.

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Section 3. Non-Exclusivity of Rights. The rights conferred on any person by this Article X shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the certificate of incorporation, these Bylaws, agreement, vote of member, or disinterested directors, or otherwise.

Section 4. Other Indemnification. NAHC's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust, enterprise or non-profit entity shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise, or non-profit entity.

Section 5. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article X shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

Article X Amendments

The Bylaws of NAHC may be amended by a majority of the members present and voting at any Meeting of the Members at which a quorum is present, provided that, notice of the proposed amendment or amendments has been given not less than thirty (30) days before such meeting.

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