

## APPENDIX B

### BY-LAWS of HEARTLAND MEDIATORS ASSOCIATION, INC.

#### Article I

1. *Principal Office.* The principal office for the transaction of the business of the corporation is hereby located at P.O. Box 14971, Lenexa, 66285, County of Johnson, Kansas.

2. *Registered Office and Registered Agent.* The location of the registered office and the name of the registered agent of the corporation in the State of Kansas shall be as stated in the Articles of Incorporation or as shall be determined from time to time by the board of directors and on file in the appropriate public offices of the State of Kansas pursuant to applicable provisions of law.

3. *Corporate Offices.* The corporation may have such other corporate offices and places of business anywhere within or without the State of Kansas as the board of directors may from time to time designate or the business of the corporation may require.

4. *Corporate Seal.* There shall be no corporate seal.

#### Article II Membership

5. *Membership.* Membership shall be open to all persons who have an interest in mediation and the goals and purposes of this organization as set forth in the Articles of Incorporation and who apply for membership. All members are voting members unless otherwise specified in the Articles of Incorporation.

6. *Application for Membership.* Applications for membership shall be made in the manner prescribed by the Membership Committee, where so directed by a resolution of the board of directors. Honorary membership shall be determined under terms and conditions as specified by resolution of the board of directors.

7. *Resignation from Membership.* A resignation from membership shall not relieve any member from any liability for any dues, assessments or other obligations to the corporation which are unpaid at the time such resignation is filed, or which may arise prior to the acceptance of the resignation.

8. *Termination or Suspension.* If any member of the corporation shall commit any act prejudicial to the conduct of the affairs of the corporation or the purposes for which it is formed, or shall have changed such person's status so as to be ineligible for membership, such person shall be notified in writing to appear personally before a committee appointed by the president at a designated time not less than thirty (30) days after such notification and at such

time, be given a hearing. By a two-thirds vote of all of the board of directors present at the meeting, the membership of such person in the corporation may be terminated or suspended. If either termination or suspension is decided upon, the terms and conditions of same shall be specified in writing and delivered to the suspended or terminated member. Written notices hereunder shall be delivered by certified mail to the member's last known address.

The board of directors may delegate the investigation of any matter which could lead to the termination or suspension of a member to an ethical review committee. The committee shall make its findings and recommendations, if any, available to the board of directors prior to any vote to suspend or terminate a member.

9. *Transfer of Membership.* Memberships in the corporation shall be non-transferable.

10. *Fines and Penalties.* Fines and penalties are not permitted. The penalty for misconduct is suspension or termination, as provided herein.

11. *Place of Meetings.* All annual meetings of the members and all other meetings of members shall be held such places as shall be designated from time to time by the board of directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

12. *Annual Meeting.* An annual meeting of the members of the corporation shall be held by the 15th day of May of each year.

13. *Special Meetings.* Special meetings of the members may be held for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, and may be called by the President, by the Secretary, by the board of directors; and shall be called by any officer or director upon the written request of not less than twenty percent (20%) of the current membership. Any such written request shall state the purpose or purposes of the proposed meeting. The "call" and the "notice" of any such meeting shall be deemed to be synonymous.

14. *Voting.* At all meetings of members, every member having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such member and bearing a date not more than three years prior to said meeting, unless said instrument shall provide for a longer period. Unless otherwise provided by the Articles of Incorporation, each member shall have one vote. At all meetings of members the voting may be otherwise than by ballot, including the election of directors, except that, unless otherwise provided by the Articles of Incorporation, any qualified voter may demand a vote by ballot on any matter, in which even such vote shall be taken by ballot.

15. *Quorum.* The presence, in person or by proxy, of ten percent (10%) of the voting members at any meeting shall constitute a quorum at all meetings of the members for the transaction of any business, except as otherwise provided by law, by the Articles of Incorporation, or by these By-Laws. The members 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 members to leave less than a quorum.

16. *Proxies.* Every person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or such person's duly authorized agent and filed with the secretary of the corporation; provided that no such proxy shall be valid after the expiration of three (3) years from the date of its execution, unless the person executing it specified the length of time for which such proxy is to continue in force

17. *Member's List.* The Executive Director and secretary shall have charge of the member's list, shall, if requested in writing by any member at least twenty (20) days prior to any meeting of the members or if ordered to do so by the board of directors, prepare and make, at least ten (10) days before such meeting of members, a complete list of the members entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each member. Such list shall be open to the examination of any member, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any member who is present.

18. *Notice.* Written or printed notice of each meeting of the members, whether annual or special, stating the place date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes thereof, shall be given to each member of record of the corporation entitled to vote at such meeting, either personally or by mail, not less than ten (10) days nor more than fifty (50) days prior to the meeting. If mailed, such notice shall be deemed to be delivered when it is deposited in the United States mail with postage thereon addressed to the member at such person's address as it appears on the records of the corporation.

19. *Inspection of Corporate Records.* The membership ledger, the books of account, and the minutes of proceedings of the members, the board of directors and of executive committees of directors shall be open to inspection upon written demand of any member within fifteen (15) days of such demand during ordinary business hours if for a purpose reasonably related to such person's interests as a member. The Board will review and certify the corporate records prior to the date of the annual meeting.

### Article III Board of Directors

20. *Management.* The business and affairs of the corporation shall be managed by a board of directors, subject to the limitations of the Articles of Incorporation, of these By-Laws, and of the Kansas Corporation Code. Unless and until changed by the board of directors as hereinafter provided, the number of directors to constitute the board of directors shall be not less than five (5) nor more than nine (9) directors. The board of directors shall have the power to change the number of directors by resolution adopted by a majority of the whole Board. Directors shall be members.

21. *Term.* Each director shall serve for a term of two years beginning on the date of the annual meeting where he or she is elected to the board.

22. *Vacancies and Newly Created Directorships.* Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, unless it is otherwise provided in the Articles of Incorporation or these By-Laws, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and qualified, or until their earlier resignation or removal. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

23. *Meetings of the Newly Elected Board Notice.* The first meeting of the members of each newly elected board of directors shall be held (i) at such time and place either within or without the State of Kansas as shall be suggested or provided by resolution of the members at the meeting at which such newly elected Board was elected, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present, or (ii) if not so suggested or provided for by resolution of the members or if a quorum shall not be present, at such time and place as shall be consented to in writing by a majority of the newly elected directors, provided that written or printed notice of such meeting shall be given to each of the other directors in the same manner as provided in Section 18 of these By- Laws with respect to the giving of notice for special meetings of the Board except that it shall not be necessary to state the purpose of the meeting in such notice, or (iii) regardless of whether or not the time and place of such meeting shall be suggested or provided for by resolution of the members, at such time and place as shall be consented to in writing by all of the newly elected directors.

Every director of the corporation, upon such person's election, shall qualify by accepting the office of director, and such person's attendance at, or such person's written approval of the minutes of, any meeting of the Board subsequent to such person's election shall constitute such person's acceptance of such office; or such person may execute such acceptance by a separate writing, which shall be placed in the minute book.

24. *Regular Meetings.* Regular meetings of the board of directors may be held without notice at such times and places either within or without the State of Kansas as shall from time to time be fixed by resolution adopted by the full board of directors. Any business may be transacted at a regular meeting.

25. *Special Meetings.* Special meetings of the board of directors may be called at any time by the President, President-Elect or the Secretary, or by any two (2) or more of the directors. The place may be within or without the State of Kansas as designated in the notice.

26. *Notice of Special Meetings.* Written or printed notice of each special meeting of the Board, stating the place, day and hour of the meeting and the purpose or purposes thereof, shall be mailed to each director addressed to such person at such person's residence or usual place of business at least three (3) days before the day on which the meeting is to be held, or delivered

to such person personally, at least two (2) days before the day on which the meeting is to be held. If mailed, such notice shall be deemed to be delivered when it is deposited in the United States mail with postage thereon addressed to the director at such person's residence or usual place of business. The notice may be given by any officer having authority to call the meeting. "Notice" and "call" with respect to such meetings shall be deemed to be synonymous. Any meeting of the board of directors shall be a legal meeting without any notice thereof having been given if all directors shall be present

27. *Meetings by Conference Telephone or Similar Communication Equipment.* Unless otherwise restricted by the Articles of Incorporation or these By-Laws, members of the board of directors of the corporation, or any committee designated by the Board, may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant hereto shall constitute presence in person at such meeting.

28. *Quorum.* Unless otherwise required by law, the Articles of Incorporation or these By-laws, a majority of the total number of directors shall be necessary at all meetings to constitute a quorum for the transaction of business, and except as may be otherwise provided by law, the Articles of Incorporation or these By-laws, the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors.

If at least two (2) directors or one-third (1/3) of the whole board of directors, whichever is greater, is present at any meeting at which a quorum is not present, a majority of the directors present at such meeting shall have power successively to adjourn the meeting from time to time to a subsequent date, without notice to any director other than announcement at the meeting. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting which was adjourned.

29. *Compensation.* Unless otherwise restricted by the Articles of Incorporation, the board of directors may, by resolution, fix the compensation to be paid to the Executive Director and/or any employee of the Association.

30. *Resignations.* Any director may resign at any time upon written notice to the corporation. Such resignation shall take effect at the time specified therein or shall take effect upon receipt thereof by the corporation if no time is specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

31. *Indemnification and Liability of Directors and Officers.* Each person who is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director or officer or another corporation (including the heirs, executors, administrators and estate of such person) shall be indemnified by the corporation as of right to the full extent permitted or authorized by the laws of the State of Kansas, as now in effect and as hereafter amended, against any liability, judgment, fine, amount paid in settlement, cost and expense (including attorney's fees) asserted or threatened against and incurred by such person in such person's capacity as or arising out of such person's status as a director or officer of the

corporation or, if serving at the request of the corporation, as a director or officer of another corporation. The indemnification provided by the By-Law provision shall not be exclusive of any other rights to which those indemnified may be entitled under the Articles of Incorporation, under any other By-Law or under any agreement, vote of members, or disinterested directors or otherwise, and shall not limit in any way any right which the corporation may have to make different or further indemnifications with respect to the same or different persons or classes of persons.

No person shall be liable to the corporation for any loss, damage, liability or expense suffered by it on account of any action taken or omitted to be taken by such person as a director or officer of the corporation or of any other corporation which such person serves as a director or officer at the request of the corporation, if such person (i) exercised the same degree of care and skill as a "prudent man" would have exercised under the circumstances in the conduct of such person's own affairs, or (ii) took or omitted to take such action in reliance upon advice of counsel for the corporation, or for such other corporation, or upon statements made or information furnished by directors, officers, employees or agents of the corporation, or of such other corporation, which such person had no reasonable grounds to disbelieve.

32. *Action Without a Meeting.* Unless otherwise restricted by the Articles of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the board of directors or any committee thereof may be taken without a meeting if written consent thereto is signed by all members of the board of directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

#### Article IV Officers

33. (a) *Officers - Who Shall Constitute.* The officers of the corporation shall be a president, a president-elect, a secretary, and a treasurer. The Board shall elect a president, a president-elect, a secretary and a treasurer at its first meeting after each annual meeting of the members. The Board may, if it desires, elect or appoint additional officers and may further identify or describe any one or more of the officers of the corporation. The Executive Director and the Past President are ex-officio members of the Board.

An officer shall be deemed qualified when such person enters upon the duties of the office to which such person has been elected or appointed and furnishes any bond required by the Board; but the Board may also require such person's written acceptance and promise faithfully to discharge the duties of such office.

(b) *Term of Office.* Each officer of the corporation shall hold such person's office at the pleasure of the board of directors or for such other period as the Board may specify at the time of such person's election or appointment, or until such person's death, resignation or removal by the Board, whichever first occurs. In any event, each officer of the corporation who is not reelected or reappointed at the annual election of officers by the Board next succeeding such

person's election or appointment shall be deemed to have been removed by the Board, unless the Board provides otherwise at the time of such person's election or appointment.

(c) *Other Agents.* The Board from time to time may also appoint such other agents for the corporation as it shall deem necessary or advisable, each of whom shall serve at the pleasure of the Board or for such period as the Board may specify, and shall exercise such powers, have such titles and perform such duties as shall be determined from time to time by the Board or by an officer empowered by the Board to make such determination.

34. *The President.* The President shall preside at all meetings of the members and directors at which such person may be present and shall have such other duties, powers and authority as may be prescribed elsewhere in these By-Laws. The board of directors may delegate such other authority and assign such additional duties to the President, other than those conferred by law exclusively upon the president, as it may from time to time determine, and, to the extent permissible by law, the Board may designate the President as the chief executive officer of the corporation with all of the powers otherwise conferred upon the president of a corporation or under these By-Laws, or it may, from time to time, divide the responsibilities, duties and authority for the general control and management of the corporation's business and affairs between the President and the president-elect.

Unless the Board otherwise provides, the president shall be the chief executive officer of the corporation with such general executive powers and duties of supervision and management as are usually vested in the office of the chief executive officer of a corporation, and such person shall carry into effect all directions and resolutions of the Board.

The president may execute all bonds, notes, debentures, mortgages and other instruments for and in the name of the corporation, and may execute all other instruments for and in the name of the corporation.

Unless the Board otherwise provides, the president, or any person designated in writing by such person, shall have full power and authority on behalf of this corporation (i) to attend and to vote or take action at any meeting of the holders of securities of corporations in which this corporation may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to being a holder of such securities, and (ii) to execute and deliver waivers of notice and proxies for and in the name of the corporation with respect to any securities held by this corporation.

Such person shall, unless the Board otherwise provides, be ex officio a member of all standing committees.

Such person shall have such other or further duties and authority as may be prescribed elsewhere in these By-Laws or from time to time by the board of directors.

35. *President-Elect.* In the absence of the president or in the event of such person's disability or inability or refusal to act, any president-elect may perform the duties and exercise

the powers of the president until the Board otherwise provides. The president-elect shall perform such other duties as the Board may from time to time prescribes.

36. *Secretary.* The secretary or Executive Director shall attend all sessions of the Board and all meetings of the members, shall prepare minutes of all proceedings at such meetings and shall preserve them in a minute book of the corporation. Such person shall perform similar duties for the executive and other standing committees when requested by the Board or any such committee.

The secretary or Executive Director shall see that all books, records, lists and information, or duplicates, required to be maintained in Kansas, or elsewhere, are so maintained.

The secretary shall have the general duties, responsibilities and authorities of a secretary of a corporation and shall perform such other duties and have such other responsibility and authority as may be prescribed elsewhere in these By-Laws or from time to time by the board of directors or the chief executive officer of the corporation, under whose direct supervision such person shall be.

37. *The Treasurer.* The treasurer and Executive Director shall have responsibility for the safekeeping of the funds and securities of the corporation, shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall keep, or cause to be kept, all other books of account and accounting records of the corporation. Such person shall deposit or cause to be deposited all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors or by any officer of the corporation to whom such authority has been granted by the Board.

Such person shall disburse or permit to be disbursed, the funds of the corporation as may be ordered, or authorized generally, by the Board, and shall render to the chief executive officer of the corporation and the directors whenever they may require it, an account of all such person's transactions as treasurer and of those under such person's jurisdiction, and of the financial condition of the corporation.

Such person shall perform such other duties and shall have such other responsibility and authority as may be prescribed elsewhere in these By-Laws or from time to time by the board directors.

Such person shall have the general duties, powers and responsibility of a treasurer of a corporation and shall, unless otherwise provided by the Board, be the chief financial and accounting officer of the corporation.

If required by the Board, such person shall give the corporation, a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of such person's office and for the restoration to the corporation, in the case of such person's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and



other property of whatever kind in such person's possession or under such person's control which belong to the corporation.

38. *Duties of Officers May be Delegated.* If any officer of the corporation be absent or unable to act, or for any other reason that the Board may deem sufficient, the President may delegate, for the time being, some or all of the functions, duties, powers and responsibilities of any officer to any other officer, or to any other agent or employee of the corporation or other responsible person, provided a majority of the whole Board concurs.

39. *Removal.* Any officer or agent elected or appointed by the board of directors, and any employee, may be removed or discharged by the Board whenever in its judgment the best interests of the corporation would be served thereby, but such removal or discharge shall be without prejudice to the contract rights, if any, of the person so removed or discharged.

40. *Salaries and Compensation.* Salaries and compensation of all elected officers of the corporation and Executive Director shall be fixed, increased or decreased by the board of directors, but this power, except as to the salary or compensation of the president may, unless prohibited by law, be delegated by the president, or may be delegated to a committee. Salaries and compensation of all appointed officers, agents and employees of the corporation may be fixed, increased or decreased by the Board but until action is taken with respect thereto by the board of directors, the same may be fixed, increased or decreased by such other officer or officers as may be empowered by a quorum of the board of directors to do so.

41. *Delegation Authority to Hire, Discharge and Designate Duties.* A quorum of the Board from time to time may delegate to the president or other officer or executive employee of the corporation, authority to hire, discharge and fix and modify the duties, salary or other compensation of employees of the corporation under their jurisdiction, and the Board may delegate to such officer or executive employee similar authority with respect to obtaining and retaining for the corporation the services of attorneys, accountants and other experts.

## Article V Finance

42. *Dues.* The dues required for initial membership and annually or otherwise shall be as specified by written resolution of the board of directors. Such dues may be changed from time to time except that once a member has paid his original membership fee, if any, and becomes a member, no subsequent increase or decrease in the membership fee will warrant an assessment or require a fee refund as to such fee with respect to such member. Nonpayment of dues shall be a proper cause for suspension or termination of membership hereunder. All dues shall be payable as specified by the board of directors. Annual dues shall be in the same amount for all members of the same membership class. The annual dues may vary for each membership class where there is more than one such class. Members who are six months in arrears in their membership dues shall be automatically terminated from membership without further action of the board of directors.

43. *Depositories.* The moneys of the corporation shall be deposited in the name of the corporation in such bank or banks or other depositories as the board of directors shall designate, and shall be drawn out only by check signed by Persons designated by resolution adopted by the board of directors, except that the board of directors may delegate said powers in the manner hereinafter provided in this By-Law.

The board of directors may by resolution authorize an officer or officers of the corporation to designate any bank or banks or other depositories in which moneys of the corporation may be deposited, and to designate the persons who may sign checks drawn on any particular account or accounts of the corporation, whether created by direct designation of the board of directors or by an authorized officer or officers as aforesaid.

The Executive Director, President, and Treasurer are the signers on the bank checks. No one can write a check to themselves and the Executive Director writes checks up to \$500. President and/or Secretary signs all checks over \$500.

44. *Fiscal Year.* The board of directors shall have power to fix and from time to time change the fiscal year of the corporation. In the absence of action by the board of directors, the fiscal year of the corporation shall end each year on the date which the corporation treated as the close of its first fiscal year, until such time, if any, as the fiscal year shall be changed by the board of directors.

45. *Director's Annual Statement.* No annual report to members is required, but the board of directors may present at each annual meeting of the members, and when called for by vote of the members shall present to any annual or special meeting of the members, a full and clear statement of the business and condition of the corporation.

## Article VI Books and Record

46. *Books, Accounts and Records.* The books, accounts and records of the corporation, except as may be otherwise required by the laws of the State of Kansas, may be kept outside the State of Kansas, at such place or places as the board of directors may from time to time determine. The board of directors shall determine whether, to what extent and the conditions upon which the books, accounts and records of the corporation, or any of them, shall be open to the inspection of the members, and no member shall have any right to inspect any book, account or record of the corporation, except as conferred by law or by resolution of the members or directors.

## Article VII Miscellaneous

47. *Waiver of Notice.* Whenever any notice is required to be given under the provisions of the statutes of Kansas, or of the Articles of Incorporation or of these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to said 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, directors or members of a committee of directors' need be specified in any written waiver of notice unless so required by the Articles of Incorporation of these By-Laws.

48. *Contracts.* The board of directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

49. *Amendments.* These By-Laws may be altered, amended or repealed, or new By-laws may be adopted, in the manner provided in the Articles of Incorporation.

50. *Dissolution.* Upon the dissolution of this corporation, the board of directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, professional, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under 501(c)(6) 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 the District Court 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.