

BYLAWS

DENVER POLICE PROTECTIVE ASSOCIATION

as Amended September 15, 2006

Table of Contents

| | <u>Page</u> | |
|------------|--|----|
| Article 1 | Name and Purpose | 1 |
| Article 2 | Association Powers | 1 |
| Article 3 | Organization, Executive Board Members and Employees | 4 |
| Article 4 | Membership | 6 |
| Article 5 | Dues, Fees and Assessments | 7 |
| Article 6 | Meetings | 8 |
| Article 7 | Election of Executive Board Members | 9 |
| Article 8 | Delegates | 12 |
| Article 9 | Initiative and Referendum | 13 |
| Article 10 | Benefits | 14 |
| Article 11 | Charges Against Members | 15 |
| Article 12 | Miscellaneous | 23 |
| Article 13 | Amendments | 24 |
| Article 14 | Payment of Attorneys' Fees and Court Costs | 26 |
| Article 15 | Collective Bargaining Committee | 28 |
| Article 16 | Denver Police Protective Association Relief Fund | 30 |
| Article 17 | Discrimination Claims | 32 |
| Article 18 | Claims Against the Association – Mandatory Binding Arbitration | 39 |
| Article 19 | Indemnification of Executive Board Members | 40 |

ARTICLE 1.

NAME AND PURPOSE

Section 1. Name. This Association shall be known as the Denver Police Protective Association of Denver, Colorado.

Section 2. Purpose. It shall be the purpose of this Association to bring the members of the Police Department together in a closer bond of fellowship, to the end that the rules and ethics of good fellowship arising between persons engaged in the same vocation may be more closely observed; to improve the wages, hours, terms and conditions of employment of all police officers by concerted activity and all lawful and proper means; to increase the efficiency of the department by aiding in the improvement of the Civil Service law, rules and regulations, and demanding a strict enforcement of the same; and to encourage professionalism and protect members from injustice.

ARTICLE 2.

ASSOCIATION POWERS

Section 1. Powers. This Association has perpetual duration and succession in its domestic entity name and has the same powers as an individual to do all things necessary or convenient to carry out its affairs, including the power:

- (a) To sue and be sued, complain, and defend in its name;
- (b) To have a corporate seal, which may be altered at will, and to use such seal, or a facsimile thereof, including a rubber stamp, by impressing or affixing it or by reproducing it in any other manner;
- (c) To make and amend;

(d) To purchase, receive, lease, and otherwise acquire, and to own, hold, improve, use, and otherwise deal with, real or personal property or any legal or equitable interest in property, wherever located;

(e) To sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of all or any part of its property;

(f) To purchase, receive, subscribe for, and otherwise acquire shares and other interests in, and obligations of, any other entity; and to own, hold, vote, use, sell, mortgage, lend, pledge, and otherwise dispose of, and deal in and with, the same;

(g) To make contracts and guarantees, incur liabilities, borrow money, issue notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of any of its property, franchises, or income;

(h) To lend money, invest and reinvest its funds, and receive and hold real and personal property as security for repayment; except that this Association may not lend money to or guarantee the obligation of an Executive Board member of this Association;

(i) To be an agent, an associate, a fiduciary, a manager, a member, a partner, a promoter, or a trustee of, or to hold any similar position with, any entity;

(j) To conduct its activities, locate offices, and exercise the powers granted by articles 121 to 137 of this Title 7 of the Colorado Revised Statutes within or without this state;

(k) To elect or appoint Executive Board members, employees, and agents of this Association, define their duties, and fix their compensation, if any;

(l) To pay pensions and establish pension plans, pension trusts, profit sharing plans, and other benefit or incentive plans for any of its current or former Executive Board members, employees, and agents;

(m) To make donations for the public welfare or for charitable, religious, scientific, or educational purposes and for other purposes that further the corporate interest;

(n) To impose dues, assessments, admission, and transfer fees upon its members;

(o) To establish conditions for admission of members, admit members, and issue or transfer memberships;

(p) To carry on a business;

(q) To make payments or donations and to do any other act, not inconsistent with law, that furthers the affairs of this Association;

(r) To indemnify current or former Executive Board members, employees, fiduciaries, or agents as provided in article 129 of Title 7 of the Colorado Revised Statutes;

(s) To limit the liability of its Executive Board members as provided in §7-128-402(1) of the Colorado Revised Statutes; and

(t) To cease its corporate activities and dissolve.

Section 2. No Shares of Stock. This Association shall not authorize or issue shares of stock.

ARTICLE 3.

ORGANIZATION, EXECUTIVE BOARD MEMBERS AND EMPLOYEES

Section 1. Governing Body. The supreme governing power of this Association shall be vested in an Executive Board which shall be comprised of seven (7) Active members in good standing who shall be elected as set forth in Article 7. The Executive Board shall be known as and referred to as such, and shall also act as the Board of Trustees of all funds. The Executive Board shall have the power to draw from the General Fund any sum necessary for the welfare of the Association.

Section 2. Required Executive Board Members. The Executive Board shall elect from its own members a President; Vice President; Secretary; and Treasurer.

Section 3. President's Duties. It shall be the duty of the President to preside at all meetings, if possible. He/she shall enforce order and strict observance of the Bylaws and rules. He/she shall cause his/her signature with that of the Secretary or Treasurer to be placed upon all contracts of this Association. He/she shall appoint all committees not otherwise provided for.

Section 4. Vice President's Duties. The Vice President is to assist the President in the discharge of his/her duties, and in the absence of the President, perform the duties of said officer.

Section 5. Secretary's Duties. The Secretary shall keep an accurate record of all meetings and transactions of the Executive Board and of the Association and upon expiration of his/her term of office, or sooner if required by the Executive Board, he/she shall turn over all records to his/her successor.

Section 6. Treasurer's Duties. The Treasurer shall receive and pay out all monies regularly approved by the Executive Board or the Association, and shall keep an accurate record of the same. Upon expiration of his/her term of office, or sooner if required by the Executive Board, he/she shall turn over all monies and records to his/her successor.

Section 7. Bond Required. Executive Board members shall give bond, with a reliable surety company approved by the Executive Board, in an amount established by the Executive Board. Such bonds shall be of a general nature, covering loss and theft only. The cost of the bond will be paid from the funds of this Association and remain in the possession of the Association.

Section 8. Check Signing. Only Executive Board members of the Association or their designee shall be authorized to sign checks and each check must have two signatures. The only authorized designee is the Business Manager of the Association.

Section 9. Executive Board to Employ Staff Personnel. The Executive Board shall have the authority to employ a staff who shall not be members of the immediate family of, or related directly by blood to, a member of this Association or the Police Department. The Executive Board shall have the authority to determine pay and benefits for the staff. The duties of the staff shall be specified by the Executive Board and/or the Business Manager, and the terms and conditions of staff employment shall be governed by an Employee Handbook which shall be promulgated, adopted, and amended from time to time. The Employee Handbook will be reviewed by the Business Manager and the Executive Board of this Association to ensure current practices are being followed.

ARTICLE 4.

MEMBERSHIP

Section 1. Membership Classifications. Membership in this Association shall consist of four (4) classes: ACTIVE, RETIRED, HONORARY and ASSOCIATE.

(a) Active Members of this Association shall consist of persons who are members of the classified service of the Denver Police Department, including recruit officers.

(b) There shall be two (2) categories of Retired members of the Association:

Category 1. Category 1 Retired members shall consist of ACTIVE members in good standing who have retired for any reason from the Department and who pay an annual fee established by the Executive Board. Category 1 Retired members shall be entitled only to those privileges expressly set forth herein.

Category 2. Category 2 Retired members shall consist of ACTIVE members in good standing who have retired for any reason from the Department and who remain on the mailing list but pay no annual fee and shall not be entitled to those privileges expressly set forth herein.

(c) Honorary Members shall consist of all persons who are interested in actively helping this Association accomplish its goals and functions in any way approved by the Executive Board of this Association. Persons desirous of becoming Honorary members shall apply for such status with the Executive Board. The Executive Board shall have complete and total discretion as to whether to accept such an application. Honorary members shall have only the privilege of attending membership meetings but

they shall not take part in debate except by consent of the Association. Honorary members shall be exempt from the payment of all dues and assessments, but may be charged a fee for being an Honorary member.

(d) The Executive Board may establish the rights and obligations of Associate members, as well as the criteria for becoming an Associate member.

Section 2. Membership Must be Approved by Executive Board. No person shall become a member of the Association unless approved by the Executive Board.

ARTICLE 5.

DUES, FEES AND ASSESSMENTS

Section 1. Monthly Dues. The monthly dues of Active members shall be 1.4% of the current base monthly salary of the rank of First Grade Police Officer. It is mandatory that each Active member authorize the City Auditor to deduct monthly dues and assessments from the member's salary for each month concerned. Any Active member withdrawing his/her authorization to the City Auditor to deduct dues and assessments from his/her salary shall be automatically dropped from this Association without notice. Should an Active member fail to receive a salary warrant from the Police Department for any reason, he/she shall pay to the Association on or before the first day of each month until such time that he/she does receive a check from the Police Department. If a member is delinquent for two (2) consecutive months, the member shall be automatically expelled from the Association.

Section 2. Assessments. The Association shall have the right to adopt assessments by a majority of those Active members voting at a meeting called for that purpose. Any such assessments so approved shall be mandatory for all Active members.

Section 3. Delinquent Dues. Any Active or Category 1 Retired member paying dues who is delinquent in the payment of dues and any assessments in any month shall be deemed not in good standing. In order to return to the status of being in good standing, the member must pay all delinquent dues and assessments.

Section 4. Dues for Category 1 Retired Members. Category 1 Retired members of the Denver Police Department who want to continue their membership in this Association shall pay an annual fee established by the Executive Board. If a member is delinquent for two (2) consecutive months following the due date of his/her annual fee, the member shall be automatically expelled from the Association.

Section 5. Membership Reinstatement. Any former member desiring reinstatement shall pay, in addition to any delinquent dues and assessments owed prior to registration or expulsion from membership, a reinstatement fee of \$20.00.

Section 6. Executive Board to Set Fees for Certain Members. The Executive Board shall set fees for Honorary members, Category 1 Retired members and Associate members, if any.

ARTICLE 6.

MEETINGS

Section 1. Regular Meetings. The Executive Board shall hold regular general membership meetings, the date and time to be determined for the current year by each new Executive Board in January for each year. Nothing herein shall prevent the

Executive Board from rescheduling regular meetings, provided, however, that notice of the change be given. If for any reason a member of the Executive Board, without the permission of the President, fails, neglects, or refuses to attend the regular meetings for three (3) consecutive meetings, the member's seat shall be declared vacant and his/her successor shall be chosen as provided in Article 7, Section 3.

Section 2. Special Meeting. The President or a majority of the Executive Board may call a special meeting at any time. Notice of this special meeting shall be given to Executive Board members as soon as practicable under the circumstances.

Section 3. Meetings Generally Open. All meetings of the Executive Board shall be open to Active members in good standing unless the Executive Board by majority vote meets in an executive session at which only those invited to attend shall be permitted to do so.

ARTICLE 7.

ELECTION OF EXECUTIVE BOARD MEMBERS

Section 1. Eligibility to Hold Office. All Active members in good standing who have been Active members in good standing for 12 consecutive months immediately preceding the month of nominations are eligible to hold office. However, no *Executive Board member* shall serve as a voting member of a governing board for any other organization unless approved by a two-thirds (2/3) vote of the Executive Board.

Section 2. Nominating Procedures.

(a) **Eligibility to Hold Office.** Each Active member in good standing shall be entitled to nominate four (4) persons in all odd-numbered years, and three (3) persons in all even-numbered years as candidates for the Executive Board. The

nominations for Executive Board members shall be made and placed in a ballot box provided for that purpose, which shall be open from 8:00 a.m. the first Monday of November, to 5:00 p.m. the following Friday. In all odd-numbered years, the eight (8) members receiving the highest number of votes shall be placed on the ballot. The order of names on the ballot shall be determined by the number of nomination votes received, with the person who receives the highest number of the votes being first. In all even-numbered years, the six (6) members receiving the highest number of votes shall be placed on the ballot. The Executive Board shall cause the list of nominees to be published in the Monthly Newsletter.

(b) Ineligible Members. No member's name shall be placed on the ballot if, at the time he/she is nominated, he/she serves as a voting member of a governing board of any other organization, unless within three (3) days of the time of the Election Committee completes the count of the nominating ballots, such member shall have resigned such other position in writing and shall have provided true copies of such written resignation to the Election Committee and to the President of this Association. Any candidate receiving nomination and being placed on the ballot, if unable to accept office, shall notify the Election Committee who will strike his/her name from the ballot and replace it with the next highest candidate.

(c) Elections Rules and Procedures. The rules and procedures for the conduct of all elections shall be set by the Election Committee. The Election Committee shall be responsible for the counting of ballots. At the discretion of the Election Committee, mail ballots or absentee ballots may be allowed. In all even-numbered years, those three (3) members receiving the highest number of votes shall serve for a term of

two (2) years; in all odd-numbered years, those four (4) members receiving the highest number of votes shall serve for a term of two (2) years. The Election Committee shall certify the election of new Executive Board members and place of their names in the Monthly Newsletter.

(d) Term of Office. The newly elected Executive Board Members shall take office on January 1 of each year and shall convene and organize as soon thereafter as is feasible.

Section 3. Vacancies. In the event of any vacancy occurring in the Executive Board, other than from recall, the vacancies shall be filled by the person who received the highest vote total, but who was not elected, in the most recent election.

Section 4. Election Committee. For each regular election of Executive Board members, the Election Committee shall consist of those Executive Board members not up for reelection. For elections held pursuant to a recall petition, the Election Committee shall consist of those Executive Board members who are not subject to the recall. If, under those circumstances, there are four (4) or less Executive Board members eligible to be on the Committee, then those Executive Board members shall appoint two (2) Active members in good standing to serve with them on the Election Committee. If the entire Executive Board is subject to the recall petition, the Executive Board shall appoint five (5) Active members to serve as the Election Committee.

Section 5. (a) Recall and Procedures. Any or all elected officers are subject to recall as herein provided but no person shall be removed from office within thirty (30) days after his/her election thereto. No recall petition may be filed within ninety (90) days of a regular election for the Executive Board member whose recall would be sought.

(b) Petition. A recall petition shall name the Executive Board member/s to be removed and be signed by Active members in good standing equal in number to at least twenty-five (25%) of the active membership of this Association, and shall contain a statement of the grounds upon which the removal is sought.

(c) Executive Board to Call Election. The Executive Board shall, within fifteen (15) days after a valid petition is received, call an election for nominations, and this election shall be completed not less than thirty (30) days, nor more than forty-five (45) days after such petition is received.

(d) Ballot Content. The name of the Executive Board official to be recalled shall be printed as a candidate on top of the official ballot at such election, unless he/she declines in writing. Other nominations may be made at a regular election. Should the incumbent fail to receive the greatest number of votes or declines to be a candidate, he/she shall thereby, at the finish of the election, be forthwith removed from office, and the candidate receiving the greatest number of votes at said election shall qualify and hold office for the remainder of the term. Any number or the whole Executive Board may be recalled at the same election.

ARTICLE 8.

DELEGATES

Section 1. Executive Board Delegates. If the Association is a member of any local, state or national organization, the seven (7) members of the Executive Board shall stand as elected delegates to the conventions of that body held during their term of office.

ARTICLE 9.

INITIATIVE AND REFERENDUM

Section 1. Issues Raised at Instance of Members. Any member may bring an issue to the Executive Board at a meeting or to a member thereof for consideration in the Executive Board's discretion. When the Executive Board deems it advisable, any issue may be put to a ballot vote of the Association with or without the Executive Board making a recommendation on the issue.

Section 2. Initiative and Referendum. Active members in good standing may place an issue before the members of the Association by presenting a petition setting forth the question to be voted upon and signed by at least twenty percent (20%) of the Active members in good standing in the Association. Upon receipt of such petition, the Executive Board, acting as the Election Committee, shall set an election using procedures and the manner it deems appropriate.

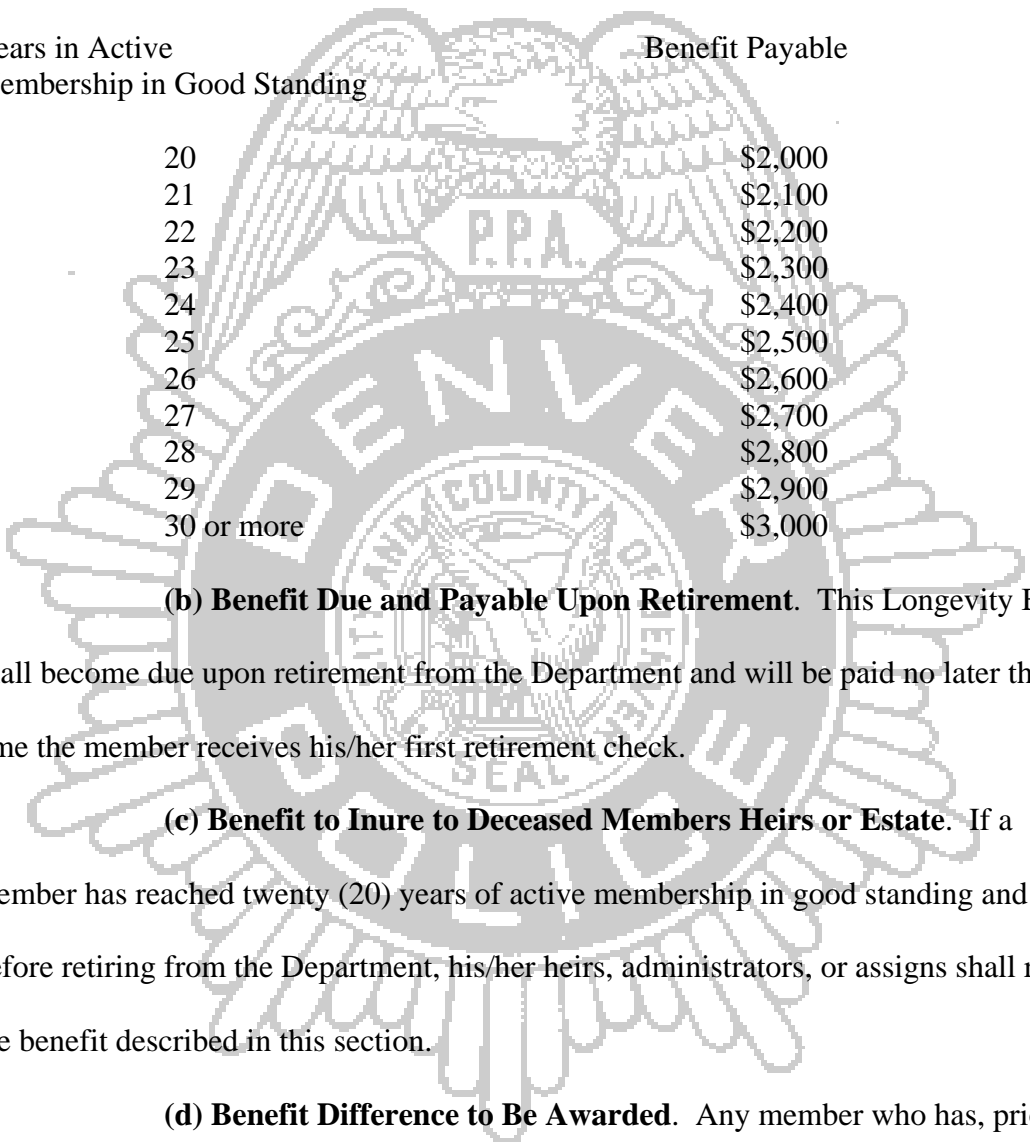
Section 3. Executive Board Action. Actions of the Executive Board may be placed before a vote of the members of the Association by a submission of the petition demanding such a vote, signed by at least twenty percent (20%) of the Active members in good standing of the Association. Upon receipt of such petition, the Executive Board, acting as the Election Committee, shall set an election using procedures and the manner it deems appropriate.

Section 4. Limitation on Renewal of Petitions. Any petition approved by this Association, or upon which a ballot vote is taken, shall stand adopted or rejected and cannot again be considered for a period of six (6) months from the time of adoption or rejection.

ARTICLE 10.

BENEFITS

Section 1. (a) Longevity Benefit. The Association shall provide the following Longevity Benefits to its Active members in good standing upon retirement:



| Years in Active Membership in Good Standing | Benefit Payable |
|---|-----------------|
| 20 | \$2,000 |
| 21 | \$2,100 |
| 22 | \$2,200 |
| 23 | \$2,300 |
| 24 | \$2,400 |
| 25 | \$2,500 |
| 26 | \$2,600 |
| 27 | \$2,700 |
| 28 | \$2,800 |
| 29 | \$2,900 |
| 30 or more | \$3,000 |

(b) Benefit Due and Payable Upon Retirement. This Longevity Benefit shall become due upon retirement from the Department and will be paid no later than the time the member receives his/her first retirement check.

(c) Benefit to Inure to Deceased Members Heirs or Estate. If a member has reached twenty (20) years of active membership in good standing and dies before retiring from the Department, his/her heirs, administrators, or assigns shall receive the benefit described in this section.

(d) Benefit Difference to Be Awarded. Any member who has, prior to February 12, 1986, already received the old benefit of one thousand six hundred dollars (\$1,600.00) and who is still employed by the Department shall, upon death or retirement,

receive the difference between the one thousand six hundred dollars (\$1,600.00) already received and the benefit to which he/she is entitled under this section.

Section 2. Executive Board to Establish Trust. The Executive Board shall establish a trust to pay the benefits set forth in this Article. The Executive Board shall constitute and serve as a Board of Trustees of that trust.

Section 3. Executive Board to Promulgate Rules Guaranteeing Uninterrupted Benefits. In the event any federal or state statutes, or regulation promulgated thereunder, should be enacted, or found to exist, which might in anyway regulate the manner in which the benefits described in this Article may be disbursed, or the manner in which monies or funds collected to enable such benefits may be kept or maintained, or the sources or manner of collecting such monies, the Executive Board shall have the obligations and the authority to promulgate whatever such rules or regulations, and to establish whatever such procedures or guarantees which may be necessary to permit the permanent and unending continuation of those benefits described elsewhere in this Article.

ARTICLE 11.

CHARGES AGAINST MEMBERS

Section 1. General. No member shall act in any manner contrary to the interest of the Association. Any member found to have violated this or any other Article of these Bylaws pursuant to the procedure set forth herein shall be subject to fine, suspension or expulsion. Any Executive Board member of this Association found to have violated this or any other Article of these Bylaws pursuant to the procedure set forth herein may be removed from office, in addition to any other penalty imposed.

Section 2. Form of Charges. All charges against any Executive Board member, member or employee of this Association must be made in writing and signed by at least three (3) Active members in good standing. Any of the following shall constitute a basis for the filing of charges against any Executive Board member, member or employee:

- (a) Violation of any provision of these Bylaws;
- (b) Misappropriation, embezzlement or improper or illegal use of the Association's funds or funds of an affiliate;
- (c) Any action by any Executive Board member, member or employee of this Association or an affiliate which results in the expenditure of money without proper written authorization;
- (d) Acting in collusion with management to the detriment of the welfare of the Association or its members;
- (e) Any activity which assists or is intended to assist a competing organization within the jurisdiction of this Association;
- (f) Refusal or deliberate failure to carry out a legally authorized decision of the Executive Board, the president of this Association, or the governing body of an affiliate of this Association;
- (g) Instituting or urging others to institute legal action outside this Association, before any forum whatsoever, against this Association or any of its affiliates, or any Executive Board member, member or employee of this Association, without first exhausting all internal remedies within this Association, provided that the foregoing shall not apply where action is instituted in order to prevent loss of rights under

applicable statute of limitations and the Executive Board member, member or employee has diligently pursued his or her internal remedies within this Association;

(h) Using the name or assets (including mailing list) or goodwill of this Association or any affiliate of this Association in an unauthorized manner or for an unauthorized purpose;

(i) Deliberately interfering with any Executive Board member of this Association or affiliate hereof in the discharge of his or her lawful duties;

(j) Conviction of a crime, the nature which is such to bring this Association as an organization into disrepute; and

(k) Disrupting this Association or an affiliate's meetings or disrupting this Association or an affiliate's official business.

Section 3. Procedure for Filing Discipline Charges.

(a) **All Charges Must be in Writing.** Any charges shall be in writing and shall be signed by all three members bringing the charges. The charges shall be specific, citing in detail the nature, date, and circumstances of the alleged offense and, where it is alleged that a violation of another provision of these Bylaws has occurred, the specific section shall be cited, along with the specific act or omission which constituted the alleged violation. The charges shall be filed with the president of this Association unless he or she is an interested party, in which event the charges shall be filed with any other member of the Executive Board who is not an interested party. Otherwise, the charges shall be filed directly with the Hearing Committee.

(b) When Charges Must be Brought. Charges must be brought within one (1) year of the occurrence of the act or omission or within one (1) year of a member discovering the same through the exercise of reasonable diligence.

(c) Service of Charges. The charges shall be served by registered mail, return receipt requested, to the address last made known to this Association by the Executive Board member, member or employee involved. Alternatively, service may be effected by personal service.

(d) Summary Disposition. The Hearing Committee, without a hearing, may summarily dispose of any charges by unanimous vote that the charges have no merit. Such summary decision by the Hearing Committee may be appealed pursuant to Section 9 set forth below.

Section 4. Hearing Procedures.

(a) Appointment of Investigative-Hearing Committee. The president of this Association shall appoint a five member Hearing Committee to serve for a term equal to that of such president. The Hearing Committee shall receive a copy of the charges filed against an Executive Board member, member or employee of this Association.

(b) Service of Charge(s). A copy or additional copy of the charges shall be sent to the accused to their last known address on file with this Association or personally handed to the accused within fifteen (15) days after the charges are received from the president of this Association or his or her designee and at least thirty (30) days before any hearing date. Further, the Hearing Committee shall serve on the accused a statement of the date, time and place of such hearing on such charges, which shall be

scheduled no less than thirty (30) days nor more than ninety (90) days after the receipt of the charges by the accused.

(c) Rights of the Accused. The accused shall have the right to cross-examine any witnesses against him or her, the right to present a written answer to the charges, the right to present witnesses in their own behalf, the right to be presumed innocent unless proven guilty, and the right to choose either an open or closed hearing. The accuser shall bear the burden of proof and that burden shall be by a preponderance of the evidence. The accused has the right to be represented by any Active member in good standing of this Association; however, the accused shall have no right of representation by an attorney. The accused shall enjoy the right to remain silent if he or she so chooses.

(d) Rights of Charging Party. The charging party shall have the right to present documents and testimony as evidence, cross-examine witnesses, and may either personally or have an Active member in good standing of this Association present the case. Representation by an attorney is not permitted.

(e) Executive Board Members May be Members of Hearing Committee. Executive Board members may be Hearing Committee persons, but Executive Board members may not participate in any appellate proceedings relative to any disciplinary action in which they were a member of any Hearing Committee.

(f) Hearing Committee Advised by Legal Counsel. The Hearing Committee may be advised by legal counsel if it so chooses.

(g) Miscellaneous. The Executive Board of this Association may promulgate and adopt additional hearing procedures as it deems proper in its sole discretion.

Section 5. Possible Penalties.

(a) If the Hearing Committee finds an accused person guilty of any charges brought, then, in that event, the Hearing Committee may impose any one or more of the following penalties:

(i) A formal reprimand, accompanied by a formal warning, against any repetition of the act or omission of which the accused is found guilty;

(ii) Full or partial restitution, where the consequences of the act or omission can be measured in monetary terms;

(iii) In the case of an Executive Board member of this Association, removal from office;

(iv) Suspension from membership for a specified period of time not to exceed one (1) year; and/or

(v) Expulsion from membership of this Association.

Section 6. Unsustained Charges or Charges Brought in Bad Faith. If the charges brought against an Executive Board member, member or employee of this Association are not sustained, or the Hearing Committee determines that said charges were prosecuted in bad faith or when new evidence would lead a reasonable charging party to conclude that further prosecution is/was unjustified, then, in that event, the Hearing Committee has the following options:

(a) The Hearing Committee may impose any penalty enumerated in Section 5 of this Article, subject, however, to the charging party's appellate rights pursuant to the appellate procedure set forth herein, which is available to an accused against whom any charges have been sustained.

Section 7. Report of Decision. The Hearing Committee shall transmit its decision, certified mail, return receipt requested, to all parties within thirty (30) days after completion of any hearing, unless all parties agree to a shorter or longer time period. All decisions of the Hearing Committee shall be in writing.

Section 8. Withdrawal of Charges. The charging party may withdraw charges at any time. Said withdrawal must be in writing and personally delivered to the Chair of the Hearing Committee or sent certified mail, return receipt request, to the Hearing Committee.

Section 9. Appeals.

(a) **Appellate Body.** The appeal body shall be all members of the Executive Board of this Association, more commonly known as the PPA Board, excluding those Executive Board members who sat on the Hearing Committee which heard the charges that are being appealed.

(b) **Time for Filing Appeal.** Either the accused or charging party may, within thirty (30) days following his or her receipt of the Hearing Committee's decision, file an appeal. The appeal shall be in writing and must include all alleged charges and the decision of the Hearing Committee being appealed. The appeal shall be filed with the Executive Board of this Association and a copy of the appeal and all relevant documents shall be served on the opposing party by certified mail, return receipt requested, who shall then have thirty (30) days to respond to the appeal. The appeal shall set forth in detail all of the appellant's reasons for believing that the Hearing Committee committed an error and the nature of the error.

(c) Time for Appellate Determination. The Executive Board of this Association shall determine the appeal within thirty (30) days after the receipt of the opposing party's opposition to the appeal based on the record submitted on appeal to the Executive Board. Except in the case of emergency expulsion or suspension of a member, the decision of the Hearing Committee may be stayed until all appellate proceedings have been concluded. The Hearing Committee must label a suspension or expulsion as an emergency one, as well as state the facts constituting the emergency, if such suspension or expulsion is not stayed pending the completion of the appellate proceedings.

(d) Hearing De Novo. The Executive Board of this Association may, in its discretion, conduct an entirely new hearing on the matter if it does not wish to determine the appeal based on the record submitted.

(e) Executive Board to Adopt Rules. The Executive Board of this Association may adopt rules and procedures, and amend the same from time to time, which govern appeals, as long said rules and procedures are not inconsistent with the rules and procedures set forth in this Section.

(f) Transmittal of Decision. The Executive Board of this Association shall render a decision in writing and transmit such decision to all parties within thirty (30) days following completion of the appeal hearing except by mutual consent of the appellant and of the appellee. Such decision shall be in writing and shall be transmitted by registered mail, return receipt requested, to appellant and appellee. In addition, a copy of the decision shall be forwarded to the official headquarters for the appropriate action, if any.

(g) Representation by Legal Counsel Unavailable. Neither the appellant nor the appellee shall have the right to be represented by counsel. The Executive Board of this Association, however, may be advised by legal counsel.

Section 10. Emergency Exception.

(a) Appellate Steps May be Waived. In emergency circumstances, or other circumstances where time does not otherwise permit, one or more levels of the above-described appellate process may be dispensed with but only if a request for the same is filed in writing to the President of this Association.

(b) Exhaustion of Remedies. No Executive Board member, member or employee of this Association shall resort to judicial proceedings of any kind, before any forum, with regard to any matter pertaining to this Association or its affiliate, or his or her office, until all remedies provided in these Bylaws has been fully exhausted, provided, however, the foregoing shall apply where the action was initiated to prevent the loss of rights under an applicable statute of limitations and the Executive Board member, member or employee has diligently pursued his or her remedies within this Association.

ARTICLE 12.

MISCELLANEOUS

Section 1. Loans Prohibited. There shall be no money loaned to any member, person, or persons whomsoever, out of the funds of this Association.

Section 2. Association Non-Liability. This Association shall not be liable for any debts, judgment, or fines obtained or assessed against any member.

Section 3. Oath of Members. Each and every member of this Association shall be required to live up to his/her oath of office as a Police Officer of the City and County Denver.

Sections 4. Welfare of Association. It shall be the duty of all members to use their best efforts in promoting and maintaining the welfare of this Association, and to see that no person shall have access to any properties or information belonging to this Association who is not a member in good standing, unless approved by the Executive Board.

ARTICLE 13.

AMENDMENTS

Section 1. Amendments Permitted—Procedure. These Bylaws may, from time-to-time, be amended and/or changed pursuant to any of the following procedures: (1) the initiative-referendum provisions of Article 9 of these Bylaws; (2) a majority vote of the Executive Board of this Association, with all members of the Executive Board present; or (3) by a special meeting of the membership of this Association called by the Executive Board of this Association.

(a) Initiative-Referendum Pursuant to Article 9. Amendments and/or changes to these Bylaws pursuant to the Initiative-Referendum provisions of Article 9 of these Bylaws shall be permitted only once in any twelve (12) calendar months.

(b) Majority Vote of the Executive Board of this Association.

Amendments and/or changes to these Bylaws pursuant to a Majority Vote of the Executive Board of this Association, with all members of the Executive Board present, may occur at any time and in the sole and absolute discretion of the Executive Board of

this Association. Amendments and/or changes to these Bylaws by Majority Vote of the Executive Board of this Association, with all members of the Executive Board present, shall not be available relative to membership dues, voting rights of members regarding the election of Executive Board members, or the approval or rejection of any Collective Bargaining Agreement. Further, the Executive Board may amend these Bylaws at any time to add, change, or delete a provision unless it would result in a change of the rights, privileges, preferences, restrictions, or condition of a membership class as to voting as set forth above, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions or conditions of another class.

(c) **Special Meeting.** To effect and adopt any such amendments and/or changes to these Bylaws pursuant to a special meeting of the members of this Association called for that purpose, the Executive Board of this Association shall first give thirty (30) days written notice of said special meeting and in that notice must provide the text of any proposed amendments and/or changes to these by laws. At said special meeting, an affirmative, majority votes of those members attending and voting at said special meeting shall be necessary to pass any proposed amendments and/or changes. If said affirmative, majority vote is obtained, then, in that event, the proposed amendments and/or changes shall then be adopted and ratified by the Executive Board of this Association and shall then be binding on all members and employees of this Association.

ARTICLE 14.

PAYMENT OF ATTORNEYS' FEES AND COURT COSTS

Section 1. Attorney Fees and Costs. Only members in good standing are entitled to legal representation as defined in the legal defense plan document in effect and any addendums of the legal defense plan document. The Association, subject to the conditions set forth in the legal defense plan document, shall provide coverage for the attorney fees and court costs of any Active member in good standing incurred in defense of any disciplinary proceedings or legal actions (whether civil, criminal, or administrative) provided that the discipline or legal action arises out of or relates to the reasonable and prudent performance of his/her police duties while on duty. The Association, subject to the conditions set forth in the legal defense plan document, shall also provide coverage for attorneys' fees and court costs of any member in good standing incurred in defense of a disciplinary proceeding or legal action (whether civil, criminal, or legal) arising out of or relating to the reasonable and prudent performance of his/her police duties while off-duty, but only if the Executive Board and/or the legal plan administrator determines that the member engaged in reasonable and prudent police work during the entire period which resulted in the discipline or legal action. Furthermore, if at the time of engaging in police action the member was employed by an employer who has insurance covering the actions of the member, then no attorneys' fees or court costs shall be paid by the Association. The decision of the Executive Board and/or the legal plan administrator regarding the payment of any attorneys' fees and court costs shall be final subject to the provisions of the legal plan document in effect.

Section 2. Conditions Precedent. In no event shall the Association pay attorneys' fees or court costs unless:

(a) **Active Member in Good Standing.** The member was an Active member in good standing both at the time of the action resulting in the discipline or legal action, and at the time the member requests the payment of attorneys' fees and court costs; and the member must continue to be a member in good standing throughout the litigation process.

Section 3. Promotional Examinations. The Association shall not pay any portion of the attorneys' fees and/or court costs incurred in the challenge of promotional examinations conducted by the Denver Civil Service Commission unless and until the Executive Board declares that the majority of the members of the Association will benefit from the position urged by the individual member or members seeking the payment of such attorneys' fees and/or court costs.

Section 4. Executive Board Approval. All authorizations to pay attorney fees shall, unless the Executive Board or the Legal Defense Plan Administrator finds good cause to proceed differently, be done on a step-by-step basis with Executive Board review and approval necessary before fees will be paid for future steps in the process. When authorization is given, the Executive Board or the Legal Defense Plan Administrator shall, in writing, indicate for what step or steps it is given. The Executive Board or the Legal Defense Plan Administrator may also, at its discretion, establish in writing a dollar cap on the amount of attorneys' fees incurred at any step or an overall basis. Before incurring any extraordinary expenses in the representation of the member, the attorney shall seek prior approval for those expenditures from the Executive Board or

the Legal Defense Plan Administrator. Failure to seek this approval shall allow the Executive Board or the Legal Defense Plan Administrator, in its discretion, to refuse to pay some or all of any such extraordinary expenses.

Section 5. Reimbursement by Member. If by means of settlement or court order a member receives reimbursement for any costs or attorneys fees expended in any matter where the Association is paying legal fees and costs, the member shall reimburse the Association or the Legal Defense Plan Administrator the entire amount so received.

Section 6. Executive Board Discretion. Notwithstanding any other provisions of this Article, the Executive Board or the Legal Defense Plan Administrator is authorized to provide for the payment of attorneys fees and court costs on behalf of any Active member in good standing, or former Active member in good standing at the time of his/her cessation of membership, if the Executive Board or the Legal Defense Plan Administrator deems it appropriate to do so.

Section 7. Neither Executive Board Nor Association Liable. Nothing herein shall be construed as making the Association or Executive Board liable for the payment of any judgment rendered against or fine imposed on a member of the Association.

ARTICLE 15.

COLLECTIVE BARGAINING COMMITTEE

Section 1. Collective Bargaining Committee. A Collective Bargaining Committee may or may not be used. This determination is at the discretion of the Executive Board and will be made prior to the start of the Collective Bargaining process. Prior to the start of collective bargaining negotiations for each contract or reopener of any

existing contract, the Executive Board shall cause an election to be conducted to select members of the Collective Bargaining Committee, said election to be held pursuant to procedures that the Executive Board deems most efficacious.

Section 2. Bargaining Unit Defined. The “Bargaining Unit” of this Association shall be comprised of all Active members of this Association below the rank of Commander in the Denver Police Department.

Section 3. Objective of Collective Bargaining Committee. The objective of the Collective Bargaining Committee, should the Executive Board decide to select a committee, is to provide representation to the extent practicable to all members of the Bargaining Unit who are also Active members of the Association. In order to help accomplish this objective, after the election, the Executive Board may appoint such additional members to the Collective Bargaining Committee as it deems appropriate.

Section 4. Executive Board and Collective Bargaining Committee Review of Proposals. The Collective Bargaining Committee shall, should the Executive Board decide to select a committee, together with the Executive Board, formulate and evaluate collective bargaining proposals.

Section 5. Executive Board to Conduct Negotiations. Because of the severe difficulties raised by the presence during a negotiating session of large numbers of persons, the actual negotiations between this Association and City or Department officials will be conducted solely by the Executive Board. The Executive Board shall designate a spokesperson for this Association at all such negotiating meetings. However, neither the Executive Board, nor its President or his/her designee, shall have the authority to make policy changes, to alter priorities, or to commit this Association to any position

on any issue without approval of the Collective Bargaining Committee, should the Executive Board decide to select a committee.

Section 6. Executive Board’s Discretion to Remove a Member of Collective Bargaining Committee. The Executive Board may remove any member of the Collective Bargaining Committee, should the Executive Board decide to select a committee, if the Executive Board determines that the member’s action or inaction is detrimental to the Association’s bargaining efforts.

Section 7. Ratification. Any collective bargaining agreement or modification or amendment thereof reached by the Executive Board, Collective Bargaining Committee, should the Executive Board decide to select a committee, and the City shall be ratified by the membership of this Association. Only Active members in good standing of the Association who comprise the Bargaining Unit shall be entitled to vote on any ratification issues. Approval will be by fifty percent (50%) plus one (1) of those voting. Police officers who are not members of this Association, also known as “fair-share” officers, shall not be entitled, nor permitted, to vote on ratification issues.

ARTICLE 16.

DENVER POLICE PROTECTIVE ASSOCIATION RELIEF FUND (PPA Relief Fund)

Section 1. Creation of the Denver Police Protective Association Relief Fund.

There shall be and hereby is created a separate and distinct economic fund of the Denver Police Protective Association entitled the Denver Police Protective Association Relief Fund. Such fund shall be created and at the discretion of the Executive Board be maintained by a monthly contribution made from the dues of the Association.

Section 2. Purpose of the Relief Fund. Such fund shall be and is a non-profit 501 (c)(3) organization formed exclusively to provide monetary assistance to active and retired members of the Denver Police Protective Association and other public safety personnel, their spouses and families when they suffer extreme hardships which are not supported by their current benefits.

Section 3. Discretion of Executive Board. In such other circumstances, for which the Executive Board of this Association determines, within its sole and absolute discretion that general financial assistance is warranted. The decision of the Executive Board of this Association to provide financial assistance shall be within the sole, absolute, and exclusive discretion of the Executive Board of the Association as determined by a majority vote as thereof. The amount to be authorized for distribution shall carefully be determined by the Executive Board of the Association and finalized by a majority vote of the Executive Board. In no event shall the authorization of fund distribution be given more than once during any consecutive six (6) month period.

Section 4. Not Wage or Salary Substitution. Any financial assistance provided by the Relief Fund shall and is intended to be a contribution to the financial needs of the recipient and is not intended to be a wage or salary substitution. Any contribution made by the Association from the Relief Fund shall be reviewed by the Executive Board of this Association not less frequently than each six (6) consecutive months for purposes of its continuation, modification or termination.

Section 5. Usage of Donations and Contributions. In the event contributions or donations are made directly to the Relief Fund from either members of this Association or from third persons, such donations and contributions shall be used solely

and exclusively for purposes of the continued operation and maintenance of the Relief Fund and for no other Association purpose. Any and all costs associated with the administration of the Relief Fund shall be paid by that fund and not from the general operating account(s) of this Association.

ARTICLE 17.

DISCRIMINATION CLAIMS

Section 1. Mandatory Binding Arbitration. In recognition of the fact that resolution of any differences in the courts is rarely timely or cost-effective for either party, this Association and its members and employees hereby establish a procedure to arbitrate all discrimination claims, whether based on local, state or federal anti-discrimination laws, in order to establish and gain the benefits of a speedy, impartial and cost-effective resolution procedure for all discrimination claims, including final, binding arbitration, if necessary, pursuant to the procedure set forth below.

Section 2. Step 1—Negotiation. It is the intent of the parties that any dispute be resolved informally and promptly through good-faith negotiation between this Association and its members and its employees. Therefore, should any discrimination dispute or controversy arise, the following steps towards resolution will immediately be taken:

(a) Correspondence. Either party may initiate negotiation proceedings by sending a certified or registered letter to the other party setting forth the particulars of the dispute, including the precise alleged discriminatory act that is alleged to have taken place. The recipient of the letter must respond within ten (10) days with an explanation and response.

(b) Meeting. If correspondence does not resolve the dispute, then the parties, or their respective representatives, agree to meet on at least one occasion and attempt to resolve the matter. The meeting should be at a place mutually agreed upon, however, should there be no such agreement, then at the offices of this Association. Should this step not produce a resolution, then the parties agree to mediation as provided in Step 2—Mediation--enumerated below.

Section 3. Step 2—Mediation.

(a) Referral to Mediation. If the controversy is not resolved by informal negotiation within thirty (30) days or any mutually agreed extension of time from the first meeting, then the case shall be referred to mediation. The mediation shall consist of an informal, non-binding conference or conferences between the parties and the mediator jointly, then in separate caucuses wherein the mediator will seek to guide the parties to a resolution of the dispute.

(b) Mediator Selection. The parties may select any mutually acceptable mediator. If the parties cannot agree or have no particular choice of mediator, then each party shall select its own mediator and then both mediators shall select one mediator to perform mediation services.

(c) Duration of Mediation. The matter will then be submitted to the mediator for mediation and the mediation process shall continue until the case is resolved or until such time as the mediator makes a finding that there is no possibility of resolution.

(d) Enforcement of Negotiation/Mediation Steps. Step 1 and Step 2 above dealing with mandatory negotiation and mandatory mediation are deemed

arbitration clauses for the purpose of enforcing compliance with their provisions. Any party hereto may seek compliance with these provisions by petition to any court of competent jurisdiction. The prevailing party in any such proceeding shall be entitled to payment of their reasonable costs and attorneys fees.

Section 4. Step 3—Arbitration. Should any dispute remain or exist between the parties after completion of the two-step resolution process set forth above, then the parties shall promptly submit any dispute, claim or controversy arising out of or relating to a member’s membership and/or suspension or expulsion in this Association and an employee’s employment and/or termination of employment from this Association to mandatory, binding arbitration with the American Arbitration Association. Arbitration shall be initiated in the following manner:

(a) Arbitration Initiation. Unless barred by any applicable statute of limitations, any party hereto may initiate an arbitration at any time after the negotiation and mediation procedures as herein above described have been exhausted by serving, as in a civil action, all parties with notice of the nature of the claim and a demand for arbitration. The claim shall be waived and forever barred if on the date the demand for arbitration is received, the claim, if asserted in a civil action, would be barred by the applicable Colorado or federal statute of limitations.

(b) Place where Demand for Arbitration Must be Filed. The claimant shall file a copy of the Demand for Arbitration and Notice of Claim at the local offices of the American Arbitration Association (AAA), together with the appropriate filing fee pursuant to the fee schedule promulgated by AAA or whatever other such arbitration organization the parties may agree to relative to the arbitration of employment disputes or

civil rights disputes, whichever is less. Should the parties fail to agree to an organization other than the AAA, the AAA shall be the default organization.

(c) Response and/or Counterclaim. If the responding party desires to file a response and/or counterclaim, it must do so within thirty (30) days of service of the demand. Failure to file a counterclaim or response will not operate to delay the arbitration proceedings.

(d) No Other Filings Permitted. After the filing of the claim, response and counterclaim, no further claims or counterclaims may be made except on motion to the arbitrator.

(e) Appointment and Powers of Arbitrator.

1. Single Arbitrator. The case shall be submitted to a single arbitrator chosen by the parties from the list of approved arbitrators of the AAA or whatever similar organization the parties agree. Should the parties be unable to agree on a choice of arbitrator within thirty (30) days from the service of the demand for arbitration, then either party may request the American Arbitration Association administrator (or other agreed upon organization) to furnish a list of three names and each side may strike one name thereby nominating the remaining person as arbitrator.

2. Death or Incapacity of Arbitrator. If the designated arbitrator shall die, become incapable of, unwilling to, or unable to serve or proceed with the arbitration, the party or parties appointing the arbitrator shall have the power to appoint another in his or her stead, and such substitute arbitrator shall have all such powers as if he or she had been originally appointed.

3. Arbitrator May Make Rules, Regulations and Orders. The arbitrator shall have full power to make such regulations and to give all such orders and directions, as he or she shall deem just and expedient, not only in respect to the matters and disputes referred to the arbitrator, but also with respect to the mode and times of executing and performing any of the acts, deeds, matters, and things that may be directed to be done or awarded.

4. Arbitrator May Proceed Ex Parte. Should either party refuse or neglect to appoint the arbitrator or to furnish the arbitrator with any papers or information demanded, the arbitrator is empowered by both parties to proceed ex parte.

5. Proceedings in Absence of Party. The arbitrator shall have the authority and power to proceed ex parte if either party shall fail, after reasonable notice, to attend hearings before him or her.

6. Remedies Arbitrator May Award. The arbitrator may grant any remedy or relief that is available at law or in equity.

(f) Costs and Fees. Each party shall be responsible for its own costs and expenses of the arbitration, and the cost and fees of the arbitration organization selected shall be borne equally by the parties.

(g) Proceedings/Format.

1. Pre-hearing. Once the arbitrator is chosen, the arbitrator's administrator may be authorized and directed upon application of any party to schedule a pre-hearing conference with the arbitrator for the purpose of narrowing the issues, establishing a discovery schedule, arranging an acceptable procedure for any law and

motion proceedings, and in all respects arranging for the most expeditious hearing possible of matters in dispute.

(h) Discovery. Discovery shall be at the discretion and direction of the arbitrator and allowed only upon a showing of good cause utilizing the following guidelines:

1. Arbitrator Discretion. The arbitrator shall have discretion to order a pre-hearing exchange of information, including, but not limited to, the production of requested documents and exchanges of summaries of testimony of proposed witnesses.

2. Specific Discovery Procedures and Limitations. The depositions of the claimant and respondent shall be allowed as a matter of right. One set of interrogatories shall be allowed, not to exceed the number authorized under the Colorado Rules of Civil Procedure, unless otherwise agreed to by the parties or authorized by the arbitrator. There shall be an early and prompt designation and exchange of the name and address of expert witnesses who may be called upon to testify at the arbitration hearing. Their depositions and all other discovery shall be allowed only upon a showing of good cause. In no event shall the number of depositions per party exceed a total of two (2), unless, for good cause shown, the arbitrator, in his or her sole and absolute discretion, deems it appropriate to grant additional depositions than the number set forth herein.

3. Subpoenas for Witnesses and Documents. Each party shall have the right to subpoena witnesses and documents for the arbitration by requesting a subpoena from the arbitrator. Any such request shall be served on the other party, who

shall advise in writing of any objections the party may have to issuance of the subpoena within ten (10) calendar days of receipt of the request.

(i) Evidence. Rules of Evidence relating to the order of proof, the conduct of the hearing and the presentation and admissibility of evidence shall not be applicable in the arbitration proceedings. Any relevant evidence, including hearsay, may be admitted by the arbitrator if it is of the sort upon which reasonable persons are accustomed to rely in the conduct of serious affairs, regardless of the admissibility of such evidence in a court of law.

(j) Time Limits. The award shall be made by the arbitrator on or before sixty (60) days after final submission of all matters, or within such extended time, not exceeding altogether sixty (60) additional days, as the arbitrator shall from time to time direct.

(k) Reasoned Opinion. In rendering the award, if any, the arbitrator may set forth the reasons for his or her decision.

(l) Applicable Law. The arbitration shall follow the substantive law of the state of Colorado. This shall include the provisions of statutory law dealing with arbitration, as they may exist at the time of the demand for arbitration insofar as the provisions are not in conflict with these provisions and specifically excepting therefrom sections of the Colorado statutes dealing with discovery and requiring notice of hearing date by registered or certified mail, if any.

(m) Notice. Each party shall be deemed to have consented that any papers, notices, or process necessary or proper for the initiation or continuation of an arbitration, for any court action in connection therewith, or for the entry of judgment on

any award made under these rules, may be served on a party by mail, addressed to the party or representative at the last known address, or personal service, in or outside the state wherein the arbitration takes place, provided that a reasonable opportunity to be heard with regard thereto has been granted to the party. The arbitrator and/or the parties may consent to the use of fax transmission, e-mail, telex, telegram, or other written forms of electronic communication to give the notices required by this section.

(n) Finality of Award. The award of the arbitrator, if any, shall be final and binding upon the parties without appeal or review except as permitted by the arbitration laws of the State of Colorado. Application may be made by any party to a court of competent jurisdiction for entry and enforcement of judgment based on the award. The prevailing party in any such proceeding shall be awarded his or her reasonable costs and attorney fees.

ARTICLE 18.

CLAIMS AGAINST THE ASSOCIATION—MANDATORY BINDING ARBITRATION

Section 1. Mandatory Binding Arbitration. Except as provided in Article 17 of these Bylaws regarding discrimination claims, all claims, controversies or disputes made against this Association by any member shall be submitted to binding arbitration.

Section 2. Venue. Except as otherwise provided in these Bylaws, the arbitration proceeding shall be conducted in Denver, Colorado, in accordance with the then-current commercial arbitration rules of the American Arbitration Association (“AAA Rules”), applicable to a single party arbitrator, except to the extent the AAA Rules differ from the terms of this Article, in which event the terms of this Article shall apply.

Section 3. Remedies Available. The arbitrator shall have the right to award or include in his or her award any relief that he or she deems proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, attorneys' fees and costs. Notwithstanding the foregoing, the arbitrator shall not be allowed to award or include in the award any punitive, exemplary, or consequential damages and this Association and any member waives his or her right to any such damages.

Section 4. Conclusive and Binding Effect. The award and decision of the arbitrator shall be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction, and this Association and any member waives his or her right to contest the validity or enforceability of such award. This provision shall continue in full force and the fact subsequent to add notwithstanding expiration or termination of these Bylaws.

Section 5. Claims for Injunctive Relief. Notwithstanding the foregoing, the obligation herein to arbitrate shall not be binding with respect to claims relating to requests by this Association or a member for injunctive relief.

ARTICLE 19.

INDEMNIFICATION OF EXECUTIVE BOARD MEMBERS

Section 1. Indemnification by Association. Except as provided in Section 4 of this Article, this Association may indemnify a person made a party to a proceeding because the person is or was an Executive Board member against liability incurred in the proceeding if:

- (a) The person's conduct was in good faith; and

(b) The person reasonably believed:

(i) In the case of conduct in an official capacity with this Association, that the conduct was in this Association's best interests; and

(ii) In all other cases, that the conduct was at least not opposed to this Association's best interests; and

(c) In the case of any criminal proceeding, the person had no reasonable cause to believe the conduct was unlawful.

Section 2. Employee Benefit Plan. An Executive Board member's conduct with respect to an employee benefit plan for a purpose the Executive Board member reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirement of subparagraph (ii) of paragraph (b) of subsection (1) above. An Executive Board member's conduct with respect to an employee benefit plan for a purpose that the Executive Board member did not reasonably believe to be in the interests of the participants in or beneficiaries of the plan shall be deemed not to satisfy the requirements of paragraph (a) of subsection (1) above.

Section 3. Adverse Judgment Not Determinative. The termination of a proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the Executive Board member did not meet the standard of conduct described in this section.

Section 4. Indemnification Unavailable. This Association may not indemnify an Executive Board member under this section:

(a) In connection with a proceeding by or in the right of this Association in which the Executive Board member was adjudged liable to this Association; or

(b) In connection with any other proceeding charging that the Executive Board member derived an improper personal benefit, whether or not involving action in an official capacity, in which proceeding the Executive Board member was adjudged liable on the basis that the Executive Board member derived an improper personal benefit.

Section 5. Indemnification Limitation. Indemnification permitted under this section in connection with a proceeding by or in the right of this Association is limited to reasonable expenses incurred in connection with the proceeding.

