

BYLAWS
of
Association of Airworthiness Professionals, Inc.
a Texas Nonprofit Corporation

ARTICLE I.

NAME AND PURPOSES

Section 1.01 Name: The name of the corporation is Association of Airworthiness Professionals, Inc. hereinafter known as AAP.

Section 1.02 Mission: Serve Humankind and the Science of Flight through advancement and promotion of Airworthiness in Industry, Government, Academia and Individuals

Section 1.03 Vision: Foster Collaboration, Innovation and Excellence in Airworthiness

Section 1.04 Purpose:

(a) AAP is organized for the following purpose(s):

- 1) Leading the future of Airworthiness by establishing AAP as a defining and driving source for Airworthiness standards and initiatives*
- 2) Developing and promoting standardization through joint industry, individual and government working committees*
- 3) Promoting consistency of application and effort in all Airworthiness initiatives*
- 4) Educating, mentoring, developing current and future airworthiness practitioners, and recognizing Airworthiness professionals*
- 5) Educating and mentoring future Airworthiness professionals through partnership with colleges and universities by developing curriculum and courses of study*
- 6) Promoting and facilitating dialogue among all constituents*
- 7) Serving as an independent clearinghouse for all Airworthiness initiatives by bridging industry, government, and individuals to achieve common benefit*
- 8) Assuring and promoting integrity in Airworthiness*
- 9) Promoting the safety of flight throughout the world*

(b) AAP may adopt such rules of policy and procedures as it may deem necessary in order to implement and carry out the authority conferred upon under these Bylaws.

- (c) *In furtherance of this purpose, AAP, may undertake such activities and enter into such affiliations as are reasonably anticipated to promote the welfare of AAP and its members, and which are approved by the Board of Directors.*
- (d) *AAP is not organized for profit, and no part of the net earnings of this corporation shall inure to the benefit of any member of the Board of Directors, member, or any other individual except that this corporation may make payments of reasonable compensation for services rendered.*
- (e) *AAP shall not participate or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office to an extent that would disqualify it from tax exemption under section 501 (c)(3) of the Internal Revenue Code.*
- (f) *AAP shall never be operated for the primary purpose of carrying on a trade or business for profit.*
- (g) *Notwithstanding any provision of these Bylaws, this corporation shall not carry on any activities not permitted to be carried on by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law).*

ARTICLE II.

OFFICES AND REGISTERED AGENT

Section 2.01 Principal Place of Business: The principal place of business of AAP is located in Fort Worth, Texas. AAP may have such other offices, either within or without the State of Texas, as the Board may determine or as the affairs of AAP may require from time to time.

Section 2.02 Registered Office and Registered Agent: AAP shall have and continuously maintain in the State of Texas a registered office and a registered agent whose office is AAP's registered office, as required by the Texas Business Organizations Code.

- (a) *Acceptance of Appointment. The Registered Agent shall provide written Consent to Serve as Registered Agent pursuant to Texas Business Organizations Code §5.201(b). The written consent shall be maintained in the records of AAP.*
- (b) *Registered Office. The registered office may, but need not, be identical to the principal office of AAP in the State of Texas, and the address of the registered office may be changed from time to time by the Board in accordance with applicable law.*

ARTICLE III.

BOARD OF DIRECTORS

Section 3.01 Authority of Directors: The Board of Directors (“the Board”) is the policy-making body and may exercise all the powers and authority granted to AAP by law. The Board shall oversee the operations of AAP to ensure the mission, vision and purposes are carried out.

Section 3.02 Number of Directors and Makeup of the Board: The Board shall consist of no more than eleven (11) or fewer than three (3) Directors. The number of Directors may be increased or decreased from time to time by amendment to these bylaws; however, a change in the number of Directors shall not remove a Director from his or her position as a Director prior to the expiration of his or her term of office. In the event that the number of Directors is zero, a nominating committee may appoint Directors.

Section 3.03 Makeup of the Board: The Board shall consist of directors appointed and elected by the sitting Board.

Section 3.04 Selection and Terms of Directors:

- (a) Founding Directors: The first Board of Directors of AAP shall consist of those persons named in the Certificate of Formation and be known as Founding Directors. Founding Directors may serve on the board as long as he/she desires and need not be elected to remain on the board.*
- (b) Elected Directors: Elected Directors shall be nominated at any time by the existing Board and confirmed at the next Board meeting by election of the sitting Board.*
- (c) Terms: There is no limit of term for Founding Directors. Elected Directors serve for a term of 4 years. There is no maximum number of terms which can be served by an elected board member.*
- (d) Officers of the Board: The Board shall nominate and elect officers as is necessary to conduct business of the Board. At a minimum, the Board will nominate and elect a Board Chairman and Board Executive Secretary. Additional officers may be elected as deemed necessary by the Board.*

Section 3.05 Resignation and Removal: Resignations are effective upon receipt by the Secretary (or receipt by the Chairman or other officer if the Secretary is resigning) of written notification or a later date if provided in the written notification. One or more elected Directors may be removed at a meeting called for that purpose, with or without cause, by majority vote of the entire Board. If an elected Board member fails to attend three consecutive meetings, the Board shall evaluate the member’s contribution to the work of AAP, his or her reasons for not attending the meetings, as well as any other relevant factors, and if it appears to be in the best interest of AAP, may declare the position vacant.

Section 3.06 Vacancies: Vacancies existing by reason of resignation, death, incapacity, or removal before the expiration of a term may be filled by the Board. A Board

member nominated to fill a vacancy shall be elected for a full term to begin at the election of the Board.

Section 3.07 Meetings: The Board shall hold at least (1) regular meeting annually, exclusive of the annual member's business meeting, which shall be known as the Annual Meeting, and any other regular meetings to be designated by the Chairman in a notice to the Board. Special meetings may be called by any two (2) members of the Board with telephone or written notice, including notice by electronic mail. The notice of any meeting shall state the date, time, and place of such meeting.

Section 3.08 Notice and Waivers of Notice: Notice of each regular meeting of the Board must be given at least three days prior to the date of the meeting. Whenever notice is required to be given to any Board member under any provision of law, the Certificate of Formation, or these Bylaws, a written waiver signed by each Board member entitled to such notice, whether before or after the time stated in the notice is equivalent to giving notice. The presence of any Director at a meeting, whether in person or by telephone conference who does not object to the lack of notice is considered to have waived notice of the meeting.

Section 3.09 Quorum and Voting: Unless a greater proportion is required by law, a quorum is a majority of the total number of Board members in office. All decisions will be by majority vote of those present at a meeting at which a quorum is present. Each Board member has one vote.

Section 3.10 Action Without a Meeting: Any action required or permitted to be taken at a meeting of the Board or of any committee may be taken without a meeting if all the members of the Board or committee consent in writing to taking the action without a meeting and to approving the specific action. Such consents shall have the same force and effect as a unanimous vote of the Board or of the committee as the case may be.

Section 3.11 Participation in Meeting by Conference Telephone: Any or all members of the Board may participate in a meeting by conference telephone or similar communications equipment, so long as members participating in such meeting can hear one another, and such participation shall constitute presence in person at the meeting.

Section 3.12 Compensation of Directors: No Directors may receive either directly or indirectly, any salary, emolument or compensation, except as authorized by a majority of the Board of Directors. AAP may reimburse Directors for documented reasonable expenses incurred in the performance of their duties to AAP. Prior approval for such expenditures must be authorized either as part of an authorized budget or as an extra ordinary expense by action of the Board.

ARTICLE IV.

COMMITTEES

Section 4.01 Composition: The Board may designate committees and appoint committee members to accomplish such activities as are reasonably anticipated to promote the welfare of

AAP and its members and accomplish the business of AAP. Committees shall consist of at least two (2) individuals. Those committees which exercise the authority of the Board shall consist only of Directors. An Executive Committee established under this paragraph, having and exercising the full power of the Board must consist of a minimum of three (3) Directors.

Section 4.02 Procedures & Authority: For both types of committees, the Board may make provisions for appointment of the Chair, establish procedures to govern their activities, and delegate authority as may be necessary or desirable for the efficient management of the property, affairs, business, and/or activities of AAP.

Section 4.03 Non-delegation of Fiduciary Duty: The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him or her by law.

ARTICLE V.

AUTHORITY AND DUTIES OF OFFICERS, AGENTS, AND EMPLOYEES

Section 5.01 Positions: The Officers of AAP shall consist of the President, Vice-President, Treasurer, Secretary, plus any other officers as the Board may designate. Two (2) or more offices may be held by the same person, except the offices of Secretary and President.

Section 5.02 Election of Officers, Terms of Office: The President, the Vice President, the Secretary, and the Treasurer and other officers, shall serve 1-year terms. The initial Officers of AAP shall be elected from those persons named in the Certificate of Formation at the first official Board meeting following incorporation. The President, Vice President, Treasurer and Secretary shall be nominated and elected using private electronic ballot by the voting membership prior to the final meeting of the calendar year. Directors, as voting members of AAP, are eligible to serve as Officers. Results shall be confirmed by the Board, once elections are complete. The terms of office shall expire upon induction of the succeeding set of officers. Officers shall be eligible for reelection.

Section 5.03 Powers and Duties of Officers: Subject to the control of the Board of Directors, all officers shall have such authority and shall perform such duties as may be provided in these Bylaws or by resolution of the Board.

- (a) President. The President shall function as the chief executive of AAP during his or her term of office and, subject to the control of the board of directors, have general supervision, direction, and control of the business and officers of AAP. The president shall preside at meetings of the membership. The President will officially represent AAP in all functions. He/She shall have all of the powers and shall perform all of the duties which are ordinarily inherent in the office of the President, and he/she shall have such further powers and shall perform such further duties as may be prescribed for him/her by the board of directors. The president shall prepare, and deliver to the general membership, a report at the annual business*

meeting that describes the goals accomplished and the plans or recommendations for the next year's activities. He/She shall have such further powers and shall perform such further duties as may be prescribed for him/her by the Board of Directors.

- (b) *Vice-President. The Vice-President shall preside at membership meetings in the absence of the President. The Vice-President shall hold primary responsibility for administrative guidance and support of the committee chairpersons for all committees deemed require by the Board of Directors. The Vice-President shall assist the President in generating the AAP Annual report. He/She shall have such further powers and shall perform such further duties as may be prescribed for him/her by the Board of Directors.*
- (c) *Treasurer. The Treasurer shall have full accounting and disbursement responsibility for AAP. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of all financial accounts of AAP. He/She shall receive and deposit all moneys and other valuables belonging to AAP in the name and to credit of AAP and shall disburse same only in a manner as the board of directors or the appropriate officers of AAP may from time to time determine and shall render to the President and Board of Directors, whenever they request it, an account of all his/her transactions as treasurer and of the financial condition of AAP. He/She shall submit reports to the general membership during the annual meeting and propose the annual budget and submit to the Board of Directors. He/She shall have such further powers and shall perform such further duties as may be prescribed for him/her by the Board of Directors.*
- (d) *Secretary. The Secretary shall keep or cause to be kept at the executive office of AAP, or such other place as the board of directors may order, a book of minutes of all proceedings of the members and board of directors, with the time and place of holding, whether regular or special, and if special how authorized, the notice thereof given, the names of those present at Officer's meetings, and the number of members present or represented at meetings of members. The Secretary shall keep or cause to be kept at the executive office of AAP, or such other place as the board of directors may order a record of members or a duplicate record of members showing the names of the members and their addresses. The secretary or, if he/she is absent or unable or refuses to act, any other officer of this corporation, shall give or cause to be given notice of all the meetings of the members, the board of directors and committees of the board required by the bylaws or by statue to be given, and he/she shall keep the seal of AAP, if any, in safe custody. He/She shall have such further powers and shall perform such further duties as may be prescribed for him/her by the Board of Directors.*

Section 5.04 Resignation and Removal: Resignations are effective upon receipt by the Secretary (or receipt by the President or other officer if the Secretary is resigning) of written notification or a later date if provided in the written notification. One or more officers may be removed at a meeting called for that purpose, with or without cause, by majority vote of the entire

membership. Officers may be removed by action of the Board if the Board determines that the officer has failed to execute the duties of his/her office or caused damage to AAP.

Section 5.05 Vacancies: Vacancies existing by reason of resignation, death, incapacity, or removal before the expiration of a term may be filled by the Board. An Officer selected to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office and until his or her successor is elected and qualified.

Section 5.06 Meetings: The Officers shall hold at least (1) regular meeting annually, exclusive of the annual member's business meeting, which shall be known as the Officers Annual Meeting, and any other regular meetings to be designated by the president in a notice to the Officers. Special meetings may be called by any two (2) Officers with telephone or written notice, including notice by electronic mail. The notice of any meeting shall state the date, time, and place of such meeting.

Section 5.07 Notice and Waivers of Notice: Notice of each regular meeting of the officers must be given at least two days prior to the date of the meeting. Whenever notice is required to be given to any Officer under any provision of law, the Certificate of Formation, or these Bylaws, a written waiver signed by each Officer entitled to such notice, whether before or after the time stated in the notice is equivalent to giving notice. The presence of any Officer at a meeting, whether in person or by telephone conference who does not object to the lack of notice is considered to have waived notice of the meeting.

Section 5.08 Quorum and Voting: Unless a greater proportion is required by law, a quorum is a majority of the total number of Officers in office. All decisions will be by majority vote of those present at a meeting at which a quorum is present. Each Officer has one vote.

Section 5.09 Action Without a Meeting: Any action required or permitted to be taken at a meeting of the Officers or of any committee may be taken without a meeting if all the officers or committee members consent in writing to taking the action without a meeting and to approving the specific action. Such consents shall have the same force and effect as a unanimous vote of the Officers or of the committee as the case may be.

Section 5.10 Participation in Meeting by Conference Telephone: Any or all officers may participate in a meeting by conference telephone or similar communications equipment, so long as members participating in such meeting can hear one another, and such participation shall constitute presence in person at the meeting.

Section 5.11 Executive Director: The Board of Directors may hire an Executive Director of AAP. The Executive Director shall be a nonvoting member of AAP. The Executive Director shall have general and active management of the programs and affairs of AAP and shall see that all orders and resolutions of the Board are carried into effect. The Executive Director shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe. Unless a contract, these bylaws, or a law provide otherwise, the Board may remove the hired Executive Director at any time with or without cause at a meeting called for that

purpose. A resolution to remove the Executive Director requires the vote of three-quarters of the total membership of the Board of Directors.

Section 5.12 Employees: Additional persons may be hired by the Executive Director to fulfill the mission and objectives of AAP. Creation of the position requires approval by the Board of Directors and prior to hiring of any staff.

ARTICLE VI.

MEMBERS

Section 6.01 General All persons who are engaged in professional practice related to the management and/or technology of airworthiness, continued airworthiness, airworthiness certification, or aeronautics and airworthiness education; in work that contributes to, or is associated with the advancement of airworthiness, flight, aeronautics, aircraft certification, education or management; or students enrolled in studies related thereto shall be considered for membership in AAP upon completion of the required application and submission of the appropriate membership fee. AAP is organized into two major groups of membership;

- (a) Individual Membership, and*
- (b) Organizational Membership.*

Section 6.02 Individual Membership Individual membership categories include:

- (a) Charter Member – A member whose initial membership date in AAP predates March 25, 2016.*
- (b) Professional Member – A professional membership class*
- (c) Honorary Member – Any person, not a member of AAP, who has made an outstanding contribution to the vision and mission of AAP. Honorary Members may be nominated by any voting member by written submission to the Board of Directors outlining the contributions the nominee has made to AAP. Honorary memberships are granted by vote of the Board of Directors. Honorary members are recognized for life.*
- (d) Affiliate – a non-professional class for persons who support AAPs mission and vision*
- (e) Student Member – A membership class for students who support AAP’s mission and vision*

Section 6.03 Organizational Membership Organizational membership categories include:

- (a) Corporate Member – Any organization which has an interest in promoting the mission and vision of AAP*

Section 6.04 Voting Rights Individual Charter Members and Professional Members in good standing have full voting rights. All other classifications have no voting rights.

Section 6.05 Dues Members of all classes, except Honorary Member, shall pay annual dues upon joining the organization. Annual dues for each classification shall be determined by the Board of Directors.

Section 6.06 Amendments to Membership Classifications Membership classes and qualifications set in these Bylaws may be modified only by an amendment to these Bylaws as provided in Article XII

Section 6.07 Term Membership term is 12 contiguous months and the obligations to pay dues continues from year to year. Unless terminated earlier in accordance with this section, a membership will expire at midnight 30 days after the renewal date unless the membership has been renewed by payment of membership dues.

Section 6.08 Termination of Membership A member may resign its membership at any time by notifying the secretary of AAP. Resignation, however shall not relieve the resigning member from any obligation for charges incurred, services or benefits actually rendered, dues, assessments or fees, or arising from contract, or otherwise, and shall not diminish any right of AAP to enforce any such obligation against or obtain damages from such member. A member will not be liable for membership dues if it promptly quits upon receipt of an invoice for such dues. The rights, powers, and privileges of membership in AAP (a) shall immediately terminate for a member upon death or dissolution of the member or the member's resignation form AAP, and (b) may not be sold, pledged, encumbered, assigned or otherwise transferred by any member in any manner whatsoever.

The rights, powers, and privileges of membership in AAP (a) shall immediately terminate with respect to a member upon a vote by the majority of the Board of AAP to expel such member. Any member proposed to be terminated shall be entitled to written notice specifying the grounds for such proposed termination, given at least thirty (30) days prior to the meetings at which such termination is to be voted upon, and shall be entitled to be heard orally or in writing by the Board of such member.

ARTICLE VII

MEETINGS

Section 7.01 Annual Business Meeting There shall be an annual business meeting of AAP at a date, time, and place to be determined by AAP Board of Directors. Business transacted shall be designated by the Board of Directors for the purpose transacting such business as may properly come before the members.

Section 7.02 Special General Meetings Special General Meetings may be called at any time by AAP or shall be called by the President upon receiving a written request from at least twenty-five percent of the voting membership. No business shall be discussed other than that for which the special general meeting was called.

Section 7.03 Meeting Notice Notice in writing of each general member meeting shall be distributed to all members at least seven (7) days prior to the date of the ~~this~~ meeting and shall state the purpose for which it is called. The Annual Business Meeting shall be announced at least thirty (30) days in advance and state the purpose for which it was called.

Section 7.04 Meeting Attendance Attendance at educational meetings, seminar and technical presentations of AAP shall be unlimited unless otherwise directed by the Board of Directors. Attendance at the Annual Business Meeting and Special Business Meetings shall be limited to AAP membership.

Section 7.05 Quorum Twenty percent of the voting membership or twenty five (25) voting members whichever is less shall constitute a quorum at either annual meeting or special meeting of the membership.

Section 7.06 Motions Every motion that shall come before an AAP meeting, the Board of Directors, officer, or any other committee, shall be decided by a majority of votes cast, unless otherwise specified in these Bylaws.

Section 7.07 Voting Basic control of AAP rests with the voting members. This control is manifested through the election of Officers and Directors; through the approval or disapproval of proposed resolutions; and through the exercise of the right of petition.

Section 7.08 Rules of Order Parliamentary rules as stipulated in the latest edition of "Roberts Rules of Order Newly Revised" shall govern all meetings when not in conflict with these Bylaws.

Section 7.09 Minutes Minutes of the meetings will be recorded and made available per the requirements set forth in Article XI of these Bylaws.

ARTICLE VIII

INDEMNIFICATION

Section 8.01 Definitions:

- (a) "Matter" shall mean any actual or threatened civil, criminal, or administrative action, arbitration proceeding, claim, suit, proceeding, or appeals therefrom, or any criminal, administrative, or congressional (or other body's) investigation, hearing, or other proceeding.*
- (b) "Eligible Person" shall mean any person who at any time was or is a Director, a member of any committee or subcommittee, an officer, an agent, or an employee of AAP.*

Section 8.02 Right to Indemnification: Any Eligible Person made a party to or respondent in a Matter by reason of his or her position with or service to AAP shall, to the fullest extent permitted by law, be indemnified by AAP against all liabilities and all expenses reasonably incurred by him or her arising out of or in connection with such Matter, except in relation to Matters as to which (i) the Eligible Person failed to act in good faith and for a purpose which he or she reasonably believed to be in the best interests of AAP, (ii) in the case of

a criminal Matter, the person had reasonable cause to believe that his or her conduct was unlawful, or (iii) the person shall be adjudged to be liable for misconduct or negligence in the performance of a duty.

Section 8.03 Limitation on Right of Indemnification: Except where an Eligible Person has been successful on the merits with respect to such Matter, any indemnification hereunder shall be made only after (i) the Board (acting by a quorum consisting of Directors who were not involved in such Matter) determines that the Eligible Person met the applicable indemnification standard set forth in Section 8.02 above; or (ii) in the absence of a quorum, a finding is rendered in a written opinion by independent legal counsel that the person or persons met the applicable indemnification standard set forth in paragraph Section 8.02 above.

Section 8.04 Other Rights: The right of indemnification provided hereunder shall not be deemed exclusive of any other right to which any person may be entitled in addition to the indemnification provided hereunder. This indemnification shall in the case of the death of the person entitled to indemnification inure to the benefit of his or her heirs, executors or other lawful representative.

Section 8.05 Interim Indemnification: AAP shall, with respect to a Matter described in Section 8.02, advance attorney's fees as interim indemnification to any Eligible Person if the following conditions are satisfied: (i)(a) the Board (acting by a quorum consisting of Directors who are not involved in such litigation) determines that the Eligible Person is likely to meet the applicable indemnification standard set forth in Section 8.02 above, or (b) in the absence of such a quorum, a finding is rendered in a written opinion by independent legal counsel that the Eligible Person is likely to meet the applicable indemnification standard set forth in Section 8.02 above; and (ii) the Eligible Person (a) requests interim indemnification, (b) agrees to repay the interim indemnification promptly upon a determination unfavorable to him or her under Section 6.03, and (c) deposits a bond or equivalent security.

Section 8.06 Insurance: The Board may authorize the purchase of and maintain insurance on behalf of any Eligible Person against any liability asserted against or incurred by him/her which arises out of such person's status in such capacity or out of acts taken in such capacity, whether or not AAP would have the power to indemnify the person against that liability under law.

ARTICLE IX.

CONFLICT OF INTEREST POLICY

Section 9.01 Purpose: The purpose of the conflict of interest policy is to protect AAP's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of AAP or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable Corporations.

Section 9.02 Definitions:

- (a) *“Interested Person”*: Any Director, principal officer, or member of a committee with Board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.
- (b) *“Financial Interest”*: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 10) *An ownership or investment interest in any entity with which AAP has a transaction or arrangement;*
 - 11) *A compensation arrangement with AAP or with any entity or individual with which AAP has a transaction or arrangement; or*
 - 12) *Is considering an ownership or investment interest in, or compensation arrangement with, any entity or individual with which AAP is negotiating a transaction or arrangement.*
- (c) *“Compensation”*: Direct and indirect remuneration, including gifts or favors that are not insubstantial.
- (d) *“Conflict of Interest”*: A conflict between the personal or financial interests and the official or professional responsibilities of a person in a position of trust. A “Conflict of interest” includes situations in which the employee, family member, or board member has a financial interest in the business or individual selected for the contract. A financial interest is not necessarily a conflict of interest. Under Section 9.03 (b), a person who has a financial interest may have a conflict of interest only if the appropriate Board or committee decides that a conflict of interest exists.

Section 9.03 Procedures:

- (a) *Duty to Disclose: If an actual or possible conflict of interest arises, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of committees considering the proposed transaction or arrangement.*
- (b) *Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest, whether direct or indirect, disclosure of all material facts, and after any discussion with the interested person, he or she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.*
- (c) *Procedures for Addressing the Conflict of Interest:*
 - 1) *An interested person may make a presentation at the Board or committee meeting, but after the presentation he or she shall leave the meeting during*

the discussion of and the vote on the transaction or arrangement involving the possible conflict of interest.

- 2) *The Chair or President of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.*
- 3) *After exercising due diligence, the Board or committee shall determine whether AAP can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.*
- 4) *If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Directors or committee members whether the transaction or arrangement is in AAP's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.*

(d) Violations of the Conflicts of Interest Policy:

- 1) *If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.*
- 2) *If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.*

Section 9.04 Records of Proceedings: The minutes of the Board, AAP Officers, and all committees with Board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.*
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.*

ARTICLE X.

FINANCIAL ADMINISTRATION

Section 10.01 Fiscal Year: The fiscal year of AAP shall be January 1 to December 31 but may be changed by resolution of the Board.

Section 10.02 Loans to Management: AAP will make no loans to any of its Directors or Officers.

Section 10.03 Checks, Drafts, and Contracts: The Board of Directors shall determine who shall be authorized to sign checks, drafts, or other orders for payment of money; to sign acceptances, notes, or other instruments of indebtedness; to enter into contracts; or to execute and deliver other documents and instruments on AAP's behalf.

- (a) Checks: All checks drawn on the funds of AAP must have two signatories, at least one of which must be a member of the Board of Directors. The Board may authorize use of debit cards by authorized persons to conduct such business as it may deem necessary in order to implement and carry out the authority conferred under these Bylaws.*
- (b) Approval of Contracts: The Board of Directors shall approve any contract that creates a financial obligation on behalf of AAP in advance of acceptance of the contract.*

Section 10.04 Reimbursement: Requests for reimbursement by any member of the Board of Directors, officer or agent must be submitted within 6 months of the date the expense is incurred. The request for reimbursement must be accompanied by receipts and any other supporting documents matching the amount requested for reimbursement.

Section 10.05 Annual Financial Statements: Complete financial statements prepared in conformity with generally accepted accounting principles (GAAP), accompanied by an audit report of an independent certified public accountant, may be presented to and reviewed by the Board after the close of each fiscal year. Financial statements should include: (i) significant categories of contributions and other income; (ii) expenses reported in categories corresponding to the description of major programs and activities contained in AAP's annual report, solicitations and other informational materials; (iii) a detailed schedule of expenses by natural classification (e.g., salaries, employee benefits, occupancy, postage, etc.), representing the natural expenses incurred for each major program and supporting activity; (iv) accurate presentation of all fund-raising and administrative costs; and (v) total costs and the basis for allocating any fund-raising or other expenses associated with multi-purpose activities (e.g., fund raising combined with social advocacy or public education campaigns).

Section 10.06 Audit: The Board of Directors may authorize an audit of AAP.

Section 10.07 Procurement Policy: The policies and procedures below will be followed when equipment, materials, supplies, property, or services are purchased for AAP.

- (a) Conflict of Interest: All directors, employees, or agents who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services must comply with the Conflict of Interest Policy set forth in Article IX of these*

Bylaws. No director, employee, or agent will participate in the selection or acceptance of a contract involving a conflict of interest without the approval of the board.

- (b) Purchase of Items for Personal Use: Directors, employees, or agents who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services shall not use such items for personal use.*
- (c) Receipt of Gratuities: Directors, employees, or agents of AAP shall not solicit or accept gratuities, favors, or anything of value from contractors, potential contractors, or parties to agreements with the nonprofit.*
- (d) Purchase of Items Not Approved in the Budget: Directors, employees, or agents shall not solicit or accept any equipment, materials, supplies, or services that have not been approved by the Board of Directors in the annual budget without prior approval of the board.*
- (e) Cost Analysis: The nonprofit shall conduct a cost analysis and document the analysis in the procurement files in conjunction with every purchase. The procurement file should include a justification for the lack of competition if competitive bids or offers are not obtained.*
- (f) Contract with Winning Bidder: If a contract is competitively bid, AAP will enter into a contract with the winning bidder that specifies the equipment, materials, supplies, property, or services to be purchased and the payment terms.*
- (g) Acquisition Procedure: AAP will conduct all procurement transaction in a manner that maximizes opportunities, increases quality, and reduces the cost of purchase. AAP reserves the right to reject any bids or offers if deemed to be in its best interest.*
- (h) Purchases: The Board of Directors must approve all purchases made on behalf of the nonprofit. Two approved signatories are required for all checks.*
- (i) Property and Inventory Policy: When purchasing property (both real estate and equipment), the title must be in the name of AAP. All property purchased belongs to AAP and title vests with AAP. A list of all property owned by the nonprofit shall be kept showing the type of property, identification number, original cost, and depreciated value.*
- (j) Whistleblower Policy: AAP will not retaliate against an individual who discloses or threatens to disclose to a supervisor, board member or a public body, any activity, policy, or practice of AAP that the employee reasonably believes is in violation of a law, or a rule or regulation mandated pursuant to law, or is in violation of a clear mandate or public policy concerning the health, safety, welfare, or protection of the environment.*

ARTICLE XI.

RECORDS

Section 11.01 Recordkeeping: The Secretary or his or her designee shall keep or cause to be kept adequate minutes of all Board, Officer, or committee meeting reflecting at a minimum the names of those in attendance, any resolutions passed and the outcomes of any votes taken.

Section 11.02 Public Disclosure: After receiving IRS recognition of its 501(c)(3) status, AAP shall keep available for public inspection at its principal place of business and any branch office copies of the Form 1023 (exemption application) as filed and any Form 990 (information tax return) filed within the past three years. Names and identifying information of contributors shall be redacted from publicly available copies. In addition, as required by the tax code and regulations, AAP shall either (i) make such materials widely available to the public, such as by posting on the Internet, or (ii) provide copies of the materials to any member of the public making a request in person during normal business hours or in writing. This public disclosure obligation shall be no broader than required by law and shall not apply, for example, if AAP is the target of a campaign of harassment.

Section 11.03 Record Retention and Destruction Policy:

- (a) Scope: All employees, directors and officers of AAP must comply with the document retention requirements within this record retention policy.*
- (b) Purpose: AAP records include essentially all records produced by AAP and its directors, officers and agents, whether paper or electronic. Records include but are not limited to items such as memoranda, emails, contracts, computerized desk calendars and appointment books and expense records. This policy is meant to establish the requirements for document destruction and end the accidental or innocent destruction of necessary documents.*
- (c) Inspection of Books and Records: All books and records of AAP may be inspected by any Director for any purpose at any reasonable time on written demand.*
- (d) Policy: Specific documents, identified below, are subject to a retention schedule and should not be destroyed until the expiration of the schedule.*
 - 1) Financial Records*
Financial records, including bank statements, invoices and payroll records, expense reports, proof of deductions, and other documents should be maintained for at least 7 years from the date of filing the applicable tax return. Year-end financial statements, audit reports and 990 forms should be maintained permanently and should be available for public inspection upon request.
 - 2) Corporate Records*
Incorporation documents, including certificate of formation, bylaws, and related documents should kept permanently in the corporate records.

Meeting minutes and related documents should also be retained in perpetuity in the corporate record book. Tax-exemption documents, including application for tax exemption (IRS Form 1023), IRS determination letter, and any related documents should be kept permanently in the corporate record book and should be available for public inspection upon request.

- 3) *Legal Files*
Legal documents should generally be maintained for a period of 10 years.
- 4) *Legal Agreements & Contracts*
Final, executed copies of legal agreements and contracts, such as mortgages and leases, should be maintained for three years after their expiration. Publicly filed contracts should be maintained longer.
- 5) *Electronic Mail*
E-mail that needs to be saved should be either:
 - i. *Printed in hard copy and kept in the appropriate file; or*
 - ii. *Downloaded to a computer file and kept electronically or on disk as a separate file.*

ARTICLE XII.

AMENDMENTS

Section 12.01 Amendments: During the first two years of AAP, these Bylaws may be amended, repealed or altered in whole or in part by a majority vote of the Board of Directors. A minimum of three (3) days shall expire between the opening and closing of the voting period. At a time determined by Board of Directors, but no longer than two years after incorporation, these Bylaws may be amended, repealed or altered in whole or in part by a two-thirds (2/3) majority of the voting membership voting. Voting shall be by ballot made available to all eligible voting members. A minimum of thirty (30) days shall expire between the opening and closing of the voting period.

CERTIFICATION

I hereby certify that these bylaws were adopted by the Board of Directors of AAP at its meeting held on this May 5, 2017.

/s/, dated 5 May 2017
Mike Fox, Executive Secretary