

## **RHC MEMBER BILL OF RIGHTS**

Any member has the right to inspect and copy nine types of documents without qualification, so long as the member notifies the nonprofit corporation in writing at least five business days in advance of the requested inspection.

The nonprofit corporation, in turn, has the right to specify the time and location for the member to inspect or copy the documents, but the time and location must be reasonable.

The nine classes of documents subject to an unqualified right to review are:

1. The corporation's Articles of Incorporation, including all amendments;
2. The corporation's Bylaws, including all amendments;
3. All resolutions adopted by the members or the board of directors relating to the number or classification of the corporation's directors;
4. All resolutions adopted by the members or the board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of its members or any class or category of members;
5. Minutes of all membership meetings for the prior three years;
6. Records of all actions taken by the membership without a meeting for the prior three years;
7. All written communications within the prior three years from the corporation to the members as a group;
8. The names and business or home addresses of the corporation's current directors and officers; and,
9. The annual financial statements, if any, prepared during the prior three years, subject to the following requirements:
  - a. If the annual financial statement was reported upon by a public accountant, the accountant's report must accompany the financial statement.
  - b. If the annual financial statement was not reported upon by a public accountant, then the financial statement should be accompanied by the following:
    - i. A statement by the president or other person affirming that person's reasonable belief as to whether the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation; and,
    - ii. A statement describing any respect in which the statements were not prepared on a basis of accounting practices consistent with the statements prepared for the preceding year.

However, it is important to note that a nonprofit corporation is not required to have any financial statements at all, but if it does, such statements must be kept at the principal office of the corporation and furnished to the members upon demand, except that a charitable or religious corporation can limit or completely deny inspection of its financial statements by provisions in its Articles of Incorporation or Bylaws.

### Qualified Inspection Rights for Members of Nonprofit Corporations

In addition to the unqualified rights above, each member of a nonprofit corporation has the qualified right to inspect and copy seven types of permanent records of the corporation, so long as the member notifies the corporation in writing at least five business days in advance, and so long as the member satisfies the following requirements:

1. The member must make the demand to inspect or copy the documents in good faith and for a proper purpose.
2. The member must describe with reasonable particularity the purpose behind the member's request to inspect and copy the records and which records the member desires to inspect and copy.
3. The records that the member identifies must be directly connected with (or related to) the member's stated purpose for wanting to inspect or copy those records.

The corporation has the right to specify the time and location for the member to inspect or copy the records, but the time and location must be reasonable.

If the member satisfies the above requirements, then the corporation must provide the member with the opportunity to inspect and copy any of the seven types of permanent records below:

1. The minutes of all meetings of the corporation's members;
2. The corporation's record of all actions taken by the members without a meeting;
3. The minutes of all meetings of its board of directors;
4. The corporation's record of all actions taken by the directors without a meeting;
5. The record of all actions taken by committees of the corporation in place of, and on behalf of, the board;
6. The accounting records of the corporation; and,
7. The corporation's membership list (names and mailing addresses), but subject to the limitation that the member's inspection of the corporation's membership list must not be used without the board's consent for any purpose unrelated to the member's interest as a member of the corporation. Accordingly, without limiting the generality of the foregoing, and without the consent of the board, a membership list or any part thereof cannot be:
  - a. Used to solicit money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the corporation;
  - b. Used for any commercial purpose; or,
  - c. Sold to or purchased by any person.