

## IC 23-17-8

### Chapter 8. Resignation and Termination of Members

#### IC 23-17-8-1

##### **Resignation; liability for obligations**

Sec. 1. (a) A member may resign at any time.

(b) The resignation of a member does not relieve the member from any obligations the member may have to the corporation as a result of obligations incurred or commitments made before a resignation.

*As added by P.L.179-1991, SEC.1.*

#### IC 23-17-8-2

##### **Expulsion, suspension, or termination; procedures; limitation of actions; liability for obligations**

Sec. 2. (a) A member of a public benefit or mutual benefit corporation may not be expelled or suspended and a membership or memberships in such a corporation may not be terminated or suspended except under a procedure that is:

- (1) fair and reasonable; and
- (2) carried out in good faith.

(b) A procedure is fair and reasonable under either of the following conditions:

(1) The articles of incorporation or bylaws set forth a procedure that provides the following:

(A) Not less than fifteen (15) days prior written notice of the expulsion, suspension, or termination and the reasons for the expulsion, suspension, or termination.

(B) An opportunity for the member to be heard, orally or in writing, not less than five (5) days before the effective date of the expulsion, suspension, or termination by a person authorized to decide that the proposed expulsion, termination, or suspension should not take place.

(2) The procedure is fair and reasonable taking into consideration all of the relevant facts and circumstances.

(c) Written notice given by mail must be given by first class or certified mail sent to the last address of the member shown on the corporation's records.

(d) A proceeding challenging an expulsion, a suspension, or a termination, including a proceeding in which defective notice is alleged, must be commenced within one (1) year after the effective date of the expulsion, suspension, or termination.

(e) A member who has been expelled or suspended or whose membership is terminated may be liable to the corporation for dues, assessments, or fees as a result of obligations incurred or commitments made before expulsion, suspension, or termination.

*As added by P.L.179-1991, SEC.1.*

#### IC 23-17-8-3

##### **Purchase of memberships or membership rights; public benefit or**

**religious corporation; mutual benefit corporation**

Sec. 3. (a) A public benefit or religious corporation may not purchase any of the corporation's memberships or any right arising from a membership.

(b) A mutual benefit corporation may purchase the membership of a member who resigns or whose membership is terminated for the amount and under the conditions set forth in or authorized by the corporation's articles of incorporation or bylaws. A payment may not be made in violation of IC 23-17-21.

*As added by P.L.179-1991, SEC.1.*