

CONSTITUTION AND BYLAWS
SAN ANTONIO BUILDING OWNERS AND MANAGERS ASSOCIATION, INC.
Incorporating all amendments adopted through 08/10

ARTICLE I - NAME

The name of this organization is SAN ANTONIO BUILDING OWNERS AND MANAGERS ASSOCIATION, INC. (the "Association"). It was incorporated under the laws of the State of Texas on the 18th day of May, 1948. This corporation shall have no capital stock.

ARTICLE II - PRINCIPAL OFFICE

The principal office of this corporation shall be in the City of San Antonio, Texas.

ARTICLE III - PURPOSE

The purpose of this Association shall be to improve conditions pertaining to the ownership and operation of office buildings and other commercial properties represented in the membership of this Association; to secure for its members the benefits of discussion and cooperation respecting matters of common interest; and to promote, by every proper means, the welfare of the industry these properties represent and the management of buildings as a profession.

ARTICLE IV - MEMBERSHIP

Section 1. MEMBERSHIP SELECTION. A person, firm, or corporation seeking membership in this Association shall make application for such membership to the Board of Directors. Such application must be accompanied by the required number of recommendations, in writing, by the designated representative of a member or members in good standing, a signed code of ethics, and payment for the first year's dues. All applications for membership in this Association shall first be approved or rejected by the Membership Committee based on the policies and procedures approved by the Board of Directors. If the application is approved by the Membership Committee, it is then submitted to the Board of Directors for final approval or rejection as evidenced by a majority vote of the members of the Board of Directors present at a meeting in which there is a quorum. The Association does not warrant or guarantee the expertise or workmanship of any Association member or its designated representative(s) or its employees. All members should perform their own evaluation and/or investigation of persons or firms with whom the members do business. By becoming a member in the Association, the member, whether Allied or Regular, do so acknowledge and agree that the Association shall not be liable for breach of contract, damages or injury resulting from the member doing business with individuals or companies who have been accepted as an Allied or Regular member of the Association.

Section 2. MEMBERSHIP. Membership in the Association shall be open to any business entity, be it a sole proprietorship, partnership, or corporation that shall agree to abide by the bylaws and qualifying factors. There shall be six classes of members, which shall be as follows:

A. **REGULAR MEMBERS.** Regular Members of the Association shall either be: i) owners of Office Buildings; ii) engaged in the third party management of Office Buildings; or iii) engaged in the management of other multi-tenant, mixed use properties, industrial, retail, or single occupant properties or residential high-rise buildings, (six floors or more) or hotels (six floors or more) not to include low-rise (five floors or less) multifamily housing. Those owners or management companies shall be Regular Members regardless of whether the building ownership is held individually or in a separate legal entity or whether the management business is conducted individually or in a separate legal entity. The membership of the Regular Member shall be associated with a particular building. "Office Buildings" as used herein include business offices, medical offices and institutional offices. The representative of a Regular Member (whether Principal or Associate) shall be an individual who is an owner (or its designated agent), manager, assistant manager, or who holds an equivalent management position with respect to the building represented. Designated representatives of Regular Members may participate in all activities of the Association and in addition, may participate in conventions and meetings held by Building Owners and Managers Association International. Regular Members shall designate their representatives as either Regular Principal or Regular Associate. A Regular Member who has a business that may qualify for Allied Membership may not promote its potential Allied Member business.

(1) Regular Principal Representative is defined as the first or designated representative of each individual or company that meets requirements of a Regular Member of the Association. There shall be only one designated Regular Principal Representative per Regular Member.

(2) Regular Associate Representative is defined as additional representatives designated by a Regular Member, provided the Regular Member has a designated Regular Principal Representative in good standing.

(3) The Regular Principal Representative and the Regular Associate Representative shall have the same privileges and duties of the membership of the Association, including but not limited to the right to vote and hold office. The distinction of Regular Principal Representative and Regular Associate Representative is limited to the dues structure.

B. **ALLIED MEMBERS.** Allied Members of the Association shall be limited to individuals or entities who provide services or products related to or for use in the operation and/or maintenance of commercial real estate as defined in Article IV, 2 A. above. An Allied Member, whether individual or a company, must designate one voting (principal) representative and may designate up to three non-voting (additional) representatives.

(1) An Allied Principal Representative, as designated by an Allied Member, may participate in Association activities and is entitled to vote and serve on the Board of Directors. There shall be only one Allied Principal Representative of an Allied Member.

(2) An Allied Associate Representative, as designated by an Allied Member may not hold office or cast votes in Association elections or matters brought to the membership for a vote.

C. SPECIAL MEMBERS. Special Members shall consist of those individuals who meet the qualifications of a person who could be designated as a representative of an entity or individual owner qualifying for Regular Member status as found in ARTICLE IV, SECTION 2, except such individuals are affiliated with an owner or management company who will not support membership in the Association and who elects to pay membership dues at his or her own personal expense. Special Members are allowed to vote and hold an office of the Association.

D. HONORARY LIFE MEMBERS. Honorary Life Members meeting such criteria as may be established from time to time by the Board of Directors may be made an Honorary Life Member by the Board of Directors of the Association, provided each such Honorary Life Member remains inactive in the profession in which they were previously active, whether of an Allied or Regular Member category. Honorary Life Members so elected shall be gratuitously entitled to all privileges of membership except the right to vote or hold office so long as they remain inactive. However, if an Honorary Life Member again becomes active in the profession such that he is employed by a person or company who qualifies for Association membership, then the Honorary Life Member's rights to the free privileges of membership shall be suspended for that period of employment.

E. INTERIM MEMBERS. Any Regular Principal Representative or Regular Associate Representative of a Regular Member in good standing who has left his or her position and is actively seeking the same type of employment may be allowed to retain membership as an Interim Member, and as such, shall continue as a member of the Association for a period of up to six (6) months, even if during those six (6) months, employment is gained in the profession with a company or individual who qualifies for membership but does not wish to become a member of the Association. If however, during the six (6) month period, permanent employment is gained in a capacity that does not qualify for regular membership, then any part of the remaining six (6) months is forfeited. Except as otherwise provided herein, upon the expiration of such six (6) month period, the individual's membership in the Association shall be terminated, unless the individual otherwise secures membership as set out in these Bylaws. An Interim Member may continue to hold office and is entitled to vote. Notwithstanding the foregoing, if the Interim Member's six month period will continue past the current calendar year, the continuation or expiration of the six (6) month period shall be determined based upon the current Association policy.

F. STUDENT MEMBERS. Student members shall consist of students with a high school diploma or its equivalent, who attend an institution of higher learning (i.e. trade school, college or university) and are taking one or more classes in a field of study relating to commercial property management or the office building industry. This member shall be entitled to all privileges of membership except the right to vote or hold office.

G. VOTING MEMBERS. Regular Representatives, Allied Principal Representatives, Interim Members and Special Members shall be entitled to vote and are hereinafter sometimes collectively referred to as "**Voting Members.**"

Section 3. GENERAL MEMBERSHIP- SUSPENSION, TERMINATION, OR RESIGNATION.

A. Upon receipt of a written complaint submitted by any member or its designated representative, containing sufficient detail of the allegations explaining why the complaining party is of the opinion that a named member is acting in a manner contravening the Code of Ethics or governing principles as may be adopted from time to time by the Board of Directors, the Board of Directors may, in its sole and exclusive discretion, giving consideration to all factors present, censor, suspend, or terminate any member or its designated or associate representative, for conduct harmful to the Association. Any member or its designated or associate representative who is suspended shall, unless otherwise specified, have no right to attend Association functions or vote while under suspension. Any member whose membership is involuntarily terminated shall not be eligible for Association membership for a period of two (2) years following the involuntary termination of his membership. No refund will be given for any period remaining in the year in which termination is imposed. These actions shall follow such policy and procedures as may be determined by the Board of Directors from time to time, which policy and procedures may change to from time to time without notice, except that no action will be taken without giving the party about whom the complaint was made a right to respond. A complaint will not be considered by the Board of Directors unless it is signed and dated, with a legible signature and the printed name of the complainant below the signature, along with contact information including address, telephone, facsimile and email. The complainant, by making the complaint, acknowledges that the Board of Directors may, in its discretion, inform the party about whom the complaint is made with the name of the complaining party.

B. Any member may resign by filing a written resignation delivered to the Board of Directors, and all prepaid dues, if any, shall be forfeited thereby. Resignation shall not relieve the member of its obligation to pay dues to the date of resignation. Except under extraordinary circumstances, as outlined in a writing directed to the Board, which shall be accepted or rejected by the Board in its sole and exclusive discretion, any member who resigns his membership shall not be eligible for Association membership for a period of six (6) months following resignation.

Section 4. DUES. The annual dues for each category of membership shall be assessed as approved by the Board of Directors. Dues are payable annually in advance. Any member who becomes thirty (30) days delinquent may be dropped or suspended from membership under the Association policy adopted by the Board of Directors.

Section 5. DESIGNATED REPRESENTATIVE OF A FIRM OR CORPORATION. In the event a member is not a building owner, then the name of each designated representative shall be submitted in writing to the Association office. Acceptance of the designated representative shall be evidenced by a majority vote of the Board of Directors. When a member expresses in writing to the Association office a desire to designate a new representative, or when the designated representative of a member is no longer employed by that member, the Association affiliation of that representative is automatically terminated.

Section 6. REINSTATEMENT. Any active membership which has been forfeited for failure to pay dues may request reinstatement by making application to the Association office. Reinstatement shall be subject to the availability of membership openings for the particular membership classification of

the prospective reinstated member, as may be limited by current Association policy, with the forfeited membership placed at the bottom of any waiting list which exists for that membership category. When reinstatement is immediately available, it shall be accomplished by the affirmative vote of the majority of the Board of Directors and upon payment of all back dues and assessments for the year in which the reinstatement is made.

ARTICLE V – MANAGEMENT OF THE ASSOCIATION

The management of the Association shall be vested in a Board of Directors consisting of a President, Vice President, Secretary-Treasurer, one (1) Ex-Officio Director (unelected) filled by the immediate Past-President of the Board and eight (8) elected directors, referred to herein as the “**Board of Directors**” or “**Board**”. If the immediate Past President is unable or unwilling to serve as the Ex-Officio Director, the Board will be comprised without the Ex-Officio Director.

Section 1. OFFICERS

The officers of the Association shall be a President, a Vice President, and a Secretary-Treasurer, all elected by ballot as defined in Article IX, Elections.

- A. **QUALIFICATIONS.** Each of the officers shall be a Regular Member, Interim Member or a Special Member and the membership dues for such member must be current at the time of nomination, election and throughout the respective term of office.
- B. **TERM AND LIMITS.** Each officer shall hold office for the term of one year or until their successor takes office. Only the Secretary-Treasurer may run for that office two (2) consecutive years, so long as timely notice is given as defined by Association policy adopted by the Board of Directors. The Secretary-Treasurer’s decision to run for a second term does not prevent the Leadership Committee from slating an additional nominee for that office. After serving as an elected Officer and/or Director for a total of eight (8) years, including Ex-Officio Director, that person is unable to serve on the Board of Directors for the next five (5) consecutive years.
- C. **INTERIM MEMBER OFFICER.** An officer, whose circumstance results in their becoming an Interim Member, may continue to hold office for up to six (6) months provided that, within six (6) months from converting to an Interim Member, such officer has re-established status as Regular Representative of a Regular Member in good standing or has become a Special Member.
- D. **VACANCIES.** In the event of an officer’s death, resignation, removal, inability to satisfy Article V, Section 1A Qualifications, by Interim membership expiration or otherwise, a successor shall be appointed by the Leadership Development Committee, following the criteria outlined in the Association policy for nominating members for vacancies, to complete the remaining term. The appointee shall not be entitled to hold office until such appointment has been approved by a majority vote of the Board of Directors. Such appointment shall not count toward any term limit.

Section 2 – DIRECTORS

Eight (8) directors of the Association shall be elected by ballot as defined in Article IX, Elections.

- A. **QUALIFICATIONS.** Four of the elected directors shall be Regular Members in good standing (the "**Regular Directors**") and four elected directors shall be Allied Principal Representatives of Allied Members in good standing (the "**Allied Directors**"). In all cases, membership dues of directors must be current at the time of nomination, election and throughout the respective term of office.
- B. **TERM AND LIMITS.** The elected directors' term of office shall be for two years and shall be staggered such that each year the Association shall elect two (2) Regular Directors and two (2) Allied Directors. No elected director may serve on the Board of Directors for more than two consecutive, full terms.
- C. **INTERIM MEMBER REGULAR DIRECTOR.** A Regular Director, whose circumstance results in their becoming an Interim Member, may continue to hold office for up to six (6) months provided that, within six (6) months from converting to an Interim Member, such Regular Director has re-established status as Regular Representative of a Regular Member in good standing or has become a Special Member.
- D. **VACANCIES.** In the event of a Director's death, resignation, removal or inability to satisfy Article V, Section 2A, Qualifications, a vote on whether or not to fill the vacancy shall be determined by a majority vote of a quorum of the remaining Board of Directors unless the matter is addressed in the Association policy. If the determination is to fill the vacancy, the appointee shall not be entitled to hold the position of director until such appointment is approved by a majority vote of a quorum of the remaining members of the Board of Directors. Such appointment shall not count toward any term limits.

Section 3. **QUORUM OF BOARD OF DIRECTORS.** A quorum for transaction of business by the Board of Directors shall be a majority of the Board of Directors, currently serving, whether represented in person or by written proxy.

ARTICLE VI - DUTIES OF THE OFFICERS

Section 1. THE PRESIDENT:

- 1) shall be the Chief Administrative Officer and, subject to the direction of the Board of Directors, shall have general control and management of the Association's affairs;
- 2) shall preside at the meetings of the Association and of the Board of Directors;
- 3) shall sign contracts as approved by the Board of Directors to promote the Association business;
- 4) shall approve all payments of the Treasurer for account and claims against the Association, subject to action by the Board of Directors in the adoption of an annual budget, or otherwise appropriated;

- 5) shall submit an annual report to the members of the Association at the annual meeting, covering work done and results accomplished during the preceding year and bring to the attention of the Association members such matters that call for future action;
- 6) shall serve as Governor and represent the interests of the Association before the BOMA International Board of Governors; and
- 7) shall, in the event the Vice President cannot serve in the President's absence under number 6 above, recommend an alternate, to be approved by a majority vote of the Board of Directors.

Section 2. THE VICE PRESIDENT:

- 1) shall perform such duties as the President or the Board of Directors may designate;
- 2) shall, in the absence of the President, perform the duties and exercise the powers of the President; and
- 3) serve as the Governor and represent the interests of the Association before the BOMA International Board of Governors in the President's absence.

Section 3. THE SECRETARY-TREASURER:

- 1) shall be the custodian of all funds belonging to the Association;
- 2) shall establish reporting requirements of Executive Director relating to monies collected by the Association and bills paid from funds appropriated for the purpose;
- 3) shall render such reports as the Board of Directors may require and at the annual meeting render a written report of receipts and disbursements of this office for the preceding fiscal year;
- 4) shall attend and keep a record of all meetings of the Association and the Board of Directors, keep files of all correspondence of the Association and perform such other duties of a secretarial nature as the President or Board of Directors may designate from time to time;
- 5) shall work with the Executive Director in noticing meetings, have custody of the corporate seal, and shall sign with the President any official instrument of the Association upon direction of the Board of Directors;
- 6) shall delegate to an assistant secretary or to an executive secretary, if the employment for such an officer is authorized by the Board of Directors, such duties deemed advisable, subject however to maintaining necessary oversight and control; and
- 7) shall be the Chairperson of the Finance Committee.

Disbursements shall be made by checks, signed by any two of the following: Secretary- Treasurer, President, Vice President, or Executive Director.

Section 4. THE EXECUTIVE DIRECTOR. The Executive Director reports to the President and the Board of Directors. The Executive Director serves as administrator/staff, recommends and participates (non-voting) in the formulation of new policies and makes decisions with existing policies as they have been approved by the Board of Directors. The Executive Director plans, organizes, directs and coordinates the activities of the Association in conjunction with the Board of Directors to assure that objectives are attained, plans fulfilled and member needs met. The Executive Director maintains effective external relationships. Through effective management and leadership, the Executive Director achieves economical, productive performance and constructive growth of the

Association. From time to time, in order to acknowledge the excellence of the currently employed Executive Director, the Board of Directors may vote to acknowledge such excellence, among other acknowledgments, by granting a title promotion of the Executive Director to Executive Vice President. For purposes of consistency within the Bylaws, the requirements of the Executive Director and reference to the Executive Director within the Bylaws shall govern the role of the Executive Vice President.

ARTICLE VII - DUTIES OF THE DIRECTORS

Section 1. The Board of Directors is the governing body, responsible for the successful conduct of the Association's affairs. While it may delegate powers and share responsibilities, the ultimate authority for all official action shall reside in the Board of Directors.

Section 2. The Board of Directors shall establish policies, initiate activities and make such other recommendations to the membership, looking to the advancement of the interests and objectives of this Association as it may deem proper.

Section 3. It shall be the duty of the Board of Directors to consider and take action upon all matters referred to it, and, as may be determined to be necessary, notify the members of the Association.

Section 4. The Board of Directors may authorize the execution of contracts for and on behalf of the Association.

Section 5. The Board of Directors shall have authority to hire and terminate employees and independent contractors, if and when, in the discretion of the Board, there is a need to do so, and to fix the amount of compensation for such employment and set the severance terms, if any, under which termination occurs.

Section 6. The Board of Directors shall fix the amount of the bond required of the Treasurer, any officers or employees of the Association where, in its discretion a bond shall be required and shall be authorized to require the premium to be paid by the Association.

Section 7. The Board of Directors shall meet on call of the President, or a meeting may be called by at least four (4) members of the Board. At such meetings, the majority of the number of directors on the Board of Directors shall constitute a quorum for the transaction of business; action shall be by majority vote of the members present.

Section 8. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if either: a) consent in writing, setting forth the action so taken shall be signed by a majority of the number of directors on the Board of Directors; or b) electronic transmission of an affirmative vote of a majority of the number of directors on the Board of Directors, with the Director's identifying information prominently displayed, is transmitted to the Executive Director, such shall constitute a quorum for the transaction of business, and such vote shall have the same force and effect as a majority vote of the Board at a meeting at which a quorum is present. Such signatures, whether facsimile, original or electronic vote, with the Director's identifying information

prominently displayed, may be accumulated in counterparts, the electronic vote and /or facsimile signatures of which shall be deemed originals and all of which, taken together, shall constitute the entirety of the vote on the issue. Directors holding the majority of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum

Section 9. At the meetings of the Board of Directors, a Director may vote in person or by proxy, and if by proxy, such proxy shall be in writing, signed by the Director, and specific as to the issue(s) on which the vote is to be taken, specifying how the Director desires his vote to be cast.

Section 10. Three (3) absences by any Board member of this Association from the regular monthly meetings of the Board of Directors during a calendar year will constitute immediate dismissal as a Board member of the Association. The Executive Director will, prior to the next regular monthly Board meeting, inform the Board of Directors and the dismissed Board member of the dismissal. The Board member may ask for reinstatement during the next regular monthly Board meeting and explain the circumstances of the absences, at which time a vote shall be taken by the Board of Directors on the issue of reinstatement of the Board member. Upon a fourth (4th) absence in a calendar year, the Board member will be dismissed from the Board for the remainder of his/her term, with no appeal process.

ARTICLE VIII - MEMBERSHIP MEETINGS

Section 1. RULES OF ORDER. Robert's Rules of Order, Newly Revised, shall govern the proceedings of all membership meetings and meetings of the Board of Directors.

Section 2. ANNUAL. An annual meeting of the members shall be held on the regularly scheduled meeting date in November of each year with such other business transacted as may be brought before the meeting. The annual meeting of the members shall be held at the regularly scheduled meeting place of the Association or at the office of this Association in San Antonio, Texas as determined by the Board of Directors.

Section 3. REGULAR. Meetings shall be held each month during the year at a time and place determined by the Board of Directors, with notice to the membership as determined by Association policy.

Section 4. SPECIAL. Special meetings of the members may be called by the President or may be called by the Secretary-Treasurer at the written request of a majority of the Board of Directors or a majority of the Voting Members. Special meetings shall be held at the Association office unless otherwise determined by the Board of Directors.

Section 5. NATURE OF BUSINESS TRANSACTED (SPECIAL AND ANNUAL MEETINGS). Written notice stating the time and place of all annual and special meetings of the members and the general nature of the business to be considered shall be given to each member, by the Secretary-Treasurer or other person designated by the Board of Directors. Such notice shall be given not later than fourteen (14) days before the meeting.

Section 6. ORGANIZATION. The President shall call the meeting to order and shall act as Chairman of all such meetings unless another, appointed by the President or the President's delegee(s), is designated to perform such function. The Secretary-Treasurer shall act as Secretary of all meetings of members, but in the event of his or her absence or failure to act, the Chairman shall appoint another person to act as Secretary Pro Tem.

Section 7. QUORUM. Twenty-five percent (25%) of the Voting Members shall constitute a quorum at all meetings of the Association, including the annual meeting. However, if the Association fails to establish a quorum, then any action proposed to be transacted at such meeting may, upon a majority vote of a quorum of the Board of Directors to proceed, be conducted as though a quorum of the voting members has been achieved.

Section 8. VOTING. On all matters requiring a vote coming before the Association, each Voting Member shall be entitled to one (1) vote. The vote upon any question before the membership, where the vote will not be taken at the meeting of members, shall be sent to each Voting Member using the method of delivery provided in these Bylaws (see Article XIII, Section 6). The voting shall be completed within the time frame outlined in the instructions but in no event shall members have less than ten (10) days from the date of delivery to cast their vote. To the extent there is a vote to be taken at a membership meeting, at the annual meeting or at a special meeting, such a vote shall take place by a show of hands, a verbal yea or nay, or such other way as directed at the meeting by the President. These Bylaws give authority to the Board of Directors to arrange for a vote of members on any question which the Board of Directors may present to the members at large, with delivery of notice as provided in this Section and per Article XIII, Section 6.

ARTICLE IX - ELECTIONS

Section 1. NOMINATIONS.

A) Candidates for Officers and Directors of the Association who meet the qualifications in Article V, Section 1 and 2 shall be nominated by the Leadership Committee as defined by the Association policy or by the Voting Members of the Association pursuant to Article IX, Section 2.

Section 2. OTHER NOMINATIONS. Additional nominations for any officer or director positions up for election may be made by any member and such nomination shall be in accordance with Association policy. Association policy shall provide for not less than a ten (10) day nomination period before closing of the slate of candidates up for election and shall specifically inform the membership of the manner in which nominations shall be received and the deadline by which the nomination must be received in order to be considered.

Section 3. NOTICE OF ELECTIONS. Notice of the annual election shall be delivered to the membership of the Association at least thirty (30) days prior to the date of the election with notice as per Article XIII, Section 6.

Section 4. VOTING. Officers and Directors shall be elected by a majority vote of the votes cast by the Voting Members. Voting shall occur within the time frame outlined in the balloting procedure accompanying the notice of elections and in accordance with Article VIII, Section 8.

Section 5. RECORD OF ELECTION RESULTS. The ballots cast from the election of Officers and Directors, and the summary sheet(s) showing the total number of votes received by each nominee for each office, shall be kept in the records of the Association by the Executive Director until the Officers and Directors elected for the next fiscal year have taken office.

ARTICLE X - DISSOLUTION

The Board of Directors of San Antonio Building Owners and Managers Association, Inc. direct that on discontinuance of the organization by dissolution or otherwise, the assets are to be transferred to this state or to a charitable, educational, religious or other similar organization that is qualified as a charitable organization under Section 501(c)(3), Internal Revenue Code as amended.

ARTICLE XI - FINANCIAL RECORDS AND REPORTS

Section 1. FINANCIAL RECORDS. The Association shall maintain current, true and accurate financial records with full and complete entries made with respect to all financial transactions of the Association, including all income and expenditures in accordance with Generally Accepted Accounting Practices.

Section 2. FINANCIAL REPORTS. Based on the foregoing records, the Board of Directors shall annually prepare or approve the report of the financial activity of the Association for the preceding year, which report shall conform to the accounting standards promulgated by the American Institute of Certified Public Accountants, including a statement of support, revenue and expenses, and changes in fund balances, and a statement of functional expenses and balance sheets for all funds.

Section 3. INSPECTION OF BOOKS. The records, books, policy manual, and annual reports of the financial activity of the Association shall be kept at the principal office of the Association for at least three years after the closing of each fiscal year, and shall be available to the members for inspection and copying thereof, during normal business hours. The Association may charge for both time and any expense associated with preparing copies of such records or reports.

ARTICLE XII - INDEMNIFICATION

Section 1. The Association shall indemnify any person who is or was a director, officer, committee member, or employee, or any person who may have served at its request as a director or officer, committee member, or employee, against expenses actually and necessarily incurred in connection with an action, suit, or proceeding, whether civil or criminal, in which he is or is threatened to be made a named party by reason of being or having been a director, officer, committee member, or employee, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding, to be liable for gross negligence or intentional misconduct in the performance of duty or having taken actions in bad faith or contrary to any rule or policy of the Association. The Association

shall also reimburse any such director, officer, committee member, or employee or any persons serving or formerly serving in these capacities at the request of the Association for the reasonable cost of settlement of any such action, suit or proceeding, if it shall be found by a majority vote of members of the Board of Directors not involved in the matter in controversy, whether or not a quorum, that it was in the best interests of the Association that such settlement be made, and that such director, officer, committee member, or employee, or persons formerly holding such office was not guilty of misconduct in performance or duty. As a condition of receiving indemnification or reimbursement for the reasonable cost of settlement, the person who is to be indemnified or to receive reimbursement for settlement must allow the Board to select and retain legal counsel, in the sole discretion of the Board, and shall agree to a coordinated defense to the extent deemed appropriate by the Board and legal counsel.

Section 2. The protection and indemnification provided hereunder shall not be deemed exclusive of any other rights to which such director, officer, committee member, or employee, or person formerly holding such position may be entitled, under any agreement, insurance policy, or vote of the members, or otherwise.

ARTICLE XIII - MISCELLANEOUS

Section 1. FISCAL YEAR. The fiscal year shall be as is from time to time determined by the Board of Directors.

Section 2. LOANS TO MEMBERS, OFFICERS, AND DIRECTORS. No loans shall be made by the Association to any members, officers or directors.

Section 3. SECTION HEADINGS. The headings of the ARTICLES and SECTIONS of these Bylaws are inserted for convenience or reference only and shall not be deemed to be part thereof or used in the construction or interpretation thereof.

Section 4. AMENDMENTS OF THE BYLAWS. Notwithstanding anything to the contrary herein, for a vote on the amendment of the Bylaws at a meeting, a two-thirds majority vote of a quorum of the Voting Members present at any regular or special meeting as set forth in Article VIII, Section 3 or Section 4 is required. A copy of the proposed amendments, together with the recommendation of the Board of Directors with respect thereto, shall at least fourteen (14) days prior to the meeting at which such vote is to be taken, have been submitted to the members through notice and delivery as per Section 6 of this Article. However, and notwithstanding anything to the contrary herein, to the extent a vote to amend these Bylaws shall be conducted outside of a meeting, a copy of the proposed amendments, together with the recommendation of the Board of Directors with respect thereto, shall be delivered as per Section 6 of this Article, and in compliance with the time for casting a vote as set forth in Article VIII, Section 8, and a two-thirds (2/3) majority vote of a quorum of the Voting Members shall be required to amend.

Section 5. AMENDMENTS TO THE CHARTER. The power to alter, amend, or repeal the charter of the Association, or adopt a new charter, shall be vested in the Voting Members of the Association. Any such alteration, amendment, repeal, or adoption of a new charter must be approved by a

two-thirds (2/3) vote of the Voting Members at a regular or special meeting called for such purpose and otherwise be compliant with governing law if and only, to the extent such law is not subject to the right to implement a different voting procedure by and through the Bylaws. To the extent a vote to amend the Charter is able to be conducted outside of a regular or special meeting and without two-thirds vote of the Voting Members, such vote shall be carried out in the same manner as the Bylaws, without a meeting, as per Article VIII, Section 4.

Section 6. NOTICES, DELIVERY AND WAIVER THEREOF. Whenever, under any provisions of these Bylaws, notice is required to be given to any member, director, or officer, it shall not be construed to mean personal notice, but such notice may be delivered in writing, by using the current method of communication used to communicate with the membership, established from time to time as Association policy by the Board of Directors and addressed to such member, director or officer at the last known address, as shown by records of the Association. The means of communication shall include, but not be limited to U.S. mail, facsimile or electronic notice. The presence of any member, director, or officer at any meeting shall be deemed to be waiver of all notices required to be given under these Bylaws, except notice where waiver is specifically precluded.

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