

# Table Of Contents

<b>OFFICE .....</b>	<b>1</b>
<b>PURPOSE .....</b>	<b>1</b>
<b>MEMBERS .....</b>	<b>1</b>
First Member.....	1
Applicants for Membership.....	1
Classes of Members.....	2
<i>Regular Members</i> .....	2
<i>Associate Members</i> .....	2
Election of Members.....	2
Terminate Membership.....	3
Resignation.....	3
Reinstatement.....	3
Transfer of Membership.....	3
Multiple Stores.....	3
<b>MEMBER VOTING .....</b>	<b>3</b>
Voting Rights.....	3
Proxy.....	4
Mail-In Voting.....	4
<b>MEETINGS OF MEMBERS .....</b>	<b>5</b>
Annual Meeting.....	5
Special Meetings.....	5
Written Notice.....	6
List of Members.....	6
Annual Report.....	6
Chairman of Meeting.....	7
Order of Business.....	7
Voting Inspectors.....	7
Quorum.....	7
Member Entitlement.....	8
Certificate of Membership.....	8
<b>BOARD OF DIRECTORS .....</b>	<b>8</b>
General Powers and Qualifications.....	8
Number and Tenure.....	9
Regular Meetings.....	9
Special Meetings.....	9
Notice.....	9
Quorum.....	10
Manner of Acting.....	10
Resignation.....	10
Vacancies.....	10

Compensation.....	11
<b>Conflict of Interest.....</b>	<b>11</b>
Telephone Meeting.....	11
Informal Action by Directors.....	11
Removal.....	11
<b>OFFICERS .....</b>	<b>11</b>
Officers.....	11
Election of Officers.....	12
Removal.....	12
Vacancies.....	12
Chairman of the Board.....	12
President.....	13
Vice Presidents.....	13
Secretary / Treasurer.....	13
<i>Duties of Treasurer.....</i>	<i>13</i>
<i>Duties of Secretary.....</i>	<i>14</i>
Assistant Treasurers and Assistant Secretaries.....	14
Bonds.....	14
<b>COMMITTEES .....</b>	<b>15</b>
Committees and Directors.....	15
Other Committees.....	15
Term of Office.....	16
Committee Chairman.....	16
Vacancies.....	16
Quorum.....	16
Rules.....	16
<b>CONTRACTS, CHECKS, DEPOSITS AND FUNDS ..</b>	<b>16</b>
Contracts.....	16
Checks and Drafts.....	16
Deposits.....	17
Gifts.....	17
<b>BOOKS AND RECORDS .....</b>	<b>17</b>
<b>FISCAL YEAR .....</b>	<b>17</b>
<b>DUES .....</b>	<b>17</b>
Annual Dues.....	17
Payment of Dues.....	17
Default and Termination of Membership.....	18
<b>SEAL .....</b>	<b>18</b>
<b>WAIVER OF NOTICE .....</b>	<b>18</b>
<b>AMENDMENTS TO BY-LAWS .....</b>	<b>18</b>
<b>INDEMNIFICATION OF OFFICERS AND DIRECTORS</b>	<b>19</b>
<b>EXECUTIVE AND STAFF .....</b>	<b>19</b>
Appointment.....	19

By-laws of the Texas Association of Pawnbrokers, Inc.  
As Amended May 18, 2003

## ARTICLE I

### OFFICE

The principal office of the Corporation shall be located in the city of Cooper, County of Delta, State of Texas. The Corporation may also have such offices at such other places within or without the State as the Board of Directors may from time to time determine.

## ARTICLE II

### PURPOSE

This Corporation is organized to bring into membership ethical, congenial persons, firms and corporations concerned with or related to the pawn loan industry for purposes including:

1. To promote a better image of the pawnbroker profession among the general public.
2. To do research, evaluations and reports on the relationship of the economy and the pawn industry, and to encourage, promote and develop the pawn industry in Texas.
3. To assist and cooperate with law enforcement agencies in order to improve the pawn industry, increase the efficiency of government and promote the public good.
4. To provide a forum for the members of the Corporation for the dissemination and evaluation of statutes and ordinances affecting the pawn industry.
5. To provide educational activities mutually beneficial to members for the efficient operation of their business.

## ARTICLE III

### MEMBERS

1. **FIRST MEMBER.** The persons designated in the Certificate of Incorporation as directors shall be the first members of the Corporation.
2. **Applicants for Membership.** Applicants for membership shall be eligible for election to membership upon the payment of proper dues, subscription by the proposed member to the Code of Ethics of the Texas Association of Pawnbrokers, and the completion and submittal to the Chairman of the Board of an application form as shall be prescribed by the Board of Directors.
3. **Classes of Members.** The corporation shall have two classes of members. The designation of such classes and the qualifications and rights of the members of such classes shall be as follows:
  - (A) **Regular Members.** Regular membership shall be available to any person, partnership or corporation licensed to operate a pawnshop in the State of Texas. In the event a corporation or partnership obtains membership in this association, one person

shall be designated the voting representative for such member. Any other partner, officer or shareholder, as the case may be, may be admitted to the meetings of the members of this association upon proper certification of such position, interest or office, but may not vote.

(B) Associate Members. Persons, firms and corporations engaged in selling services, goods, or commodities to active members shall be eligible for associate membership. Associate members shall not be entitled to vote or attend business meetings but shall be entitled to all other membership privileges.

4. Election of Members. Applicants for membership may be accepted by a majority vote of the Board of Directors, or referred to the Chairman of a committee designated by the Board of Directors to review applications for membership. The designated committee shall investigate the applicant and report to the Chairman of the Board its findings. If the findings are favorable, the Chairman of the Board will admit the applicant to the membership. If the findings are unfavorable, the Chairman of the Board will present the application and the findings of the committee to the Board of Directors at its next meeting. An affirmative vote of two-thirds (2/3) of the members of the Board of Directors attending and voting at the meeting shall be required to approve the admission to membership of the applicant.

5. Terminate Membership. After an appropriate hearing, the Board of Directors, by affirmative vote of two-thirds (2/3) of all of the members of the Board, may suspend or expel a member for cause. The Board of Directors may, by a majority vote of those present at any regularly constituted Board meeting, suspend or expel any member who becomes ineligible for membership, be in default in the payment of dues for the period fixed in these By-laws, or has violated the Code of Ethics of the Texas Association of Pawnbrokers.

6. Resignation. Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments or other charges theretofore accrued and unpaid.

7. Reinstatement. Upon written request signed by a former member and filed with the Secretary, the Board of Directors may, by the affirmative vote of two-thirds (2/3) of the members of the Board, reinstate such former member to membership upon such terms as the Board of Directors may deem appropriate.

8. Transfer of Membership. Membership in this corporation not assignable or transferable.

9. Multiple Stores. Any individual, partnership, or corporation with multiple stores must join all stores to be eligible for membership in the Texas Association of Pawnbrokers.

## ARTICLE IV

### MEMBER VOTING

1. Voting Rights. Each regular member shall be entitled one vote for the first store membership and one-third (1/3) for each additional store membership on each matter submitted to a vote of the members. No member or member organization shall cast more than ten percent (10%) of the total votes cast on any matter voted upon by the members. Associate members shall not be entitled to vote on any matter.

2. Proxy.

(A) Any member may authorize another member to vote for him by proxy in all matters in which a member may participate, including waiving notice of any meeting, voting or participating in a meeting, or expressing consent or dissent without a meeting, except no holder of proxies shall cast more than ten percent (10%) of the votes cast by members present at the meeting. Every proxy shall be signed by the member or his attorney in fact, and shall be revocable at the pleasure of the member executing it, except as otherwise provided by law. Except as otherwise provided by law, no proxy shall be valid after the expiration of ninety (90) days from its date. Proxies should be registered with the voting inspectors prior to the start of the meeting of the members.

(B) Proxies shall not be solicited by the Board of Directors or solicited with the use of Association facilities, funds or employees. Individual Directors, however, may solicit proxies as long as there is no use of Association facilities, funds, employees or the use of any privilege not accorded all other members.

3. Mail-In Voting. On issues requiring a vote of the membership that, in the opinion of the majority of the Board of Directors, should not be delayed until a regular annual meeting of the members, the Board of Directors may call on a vote by mail in lieu of calling a special meeting of the members. In such an event, a ballot clearly depicting the voting rights of the member shall be delivered by hand or the U.S. Mail to the address recorded on the records of the Corporation, or at such other address which the member may have furnished in writing to the Secretary of the Corporation.

(A) The ballot shall:

(1) Clearly explain the issue requiring the vote, including the effect of affirming or denying the statement on which the vote is cast.

(2) Indicate the address to which the ballot is to be returned.

(3) Show the last date on which returned ballots will be accepted for counting and,

(4) Include the following statement in bold print and located in a conspicuous place on the ballot: " **THE MAJORITY OF THE VOTES RETURNED TO THE ABOVE ADDRESS ON OR BEFORE (last date accepted) SHALL DETERMINE THE OUTCOME OF THIS VOTING.**"

(B) The last date on which returned ballots will be accepted for counting shall not be less than fifteen (15) days nor more than thirty (30) days after the day the last ballot is delivered by hand or deposited in the U.S. mail, with proper prepaid postage, to the members authorized to vote.

## ARTICLE V

### MEETING OF MEMBERS

1. Annual Meeting. Annual meeting(s) of members shall be held on such date or dates as shall be fixed from time to time by the Board of Directors. The first annual Meeting shall be held on a date within ninety (90) days after the formation of the Corporation. Subsequent annual meeting(s) shall be held on a date not more than twelve months following the preceding annual meeting. The annual meeting(s) shall be for the purpose of electing members of the Board of Directors and/or transacting such other business that shall come before the members. Any annual meeting of members may be held at such place within or without the State as the Board of Directors may from time to time fix, except that any meeting held outside the state of Texas shall either have been approved at the previous annual meeting by a majority of the members

voting or approved by written ballot by a majority of the members having voting rights. In the event the Board of Directors shall fail to fix a place for a meeting, such meeting shall be held at the principal office of the Corporation.

2. Special Meetings. Special Meetings of members may be held, within the state of Texas, at a place and date as may be fixed by the Chairman of the Board, a majority of the Board of Directors or not less than ten percent (10%) of the members having voting rights.

3. Written Notice. Written notice shall be given for all meetings of members, stating the person(s) calling the meeting and the place, day, hour and purpose of the meeting. At any special meeting, only the business stated in the Notice of meeting may be transacted thereat. Notice of meetings shall either be delivered by hand or by first class mail not less than 15 days nor more than 60 days before the date of the meeting, to each member at his address recorded on the records of the Corporation, or at such other address which the member may have furnished in writing to the Secretary of the Corporation. Notice shall be deemed to have been given when deposited with postage prepaid in a post office or other official depository of the United States Post Office. Any meeting of members may be adjourned from time to time. In such event, it shall not be necessary to provide further notice of the time and place of the adjourned meeting if announcement of the time and place of the adjourned meeting is given at the meeting so adjourned. In the event the Board of Directors fixes a new record date for an adjourned meeting, a new notice shall be given, in the same manner as herein provided. No notice need be given to any member who executes and delivers a Waiver of Notice before or after the meeting. The attendance of a member in person or by proxy at the meeting without protesting the lack of notice of a meeting, shall constitute a waiver of notice by such member.

4. List of Members. At every meeting of members, there shall be available a list or record of members as of the record date, certified by the officer responsible for its preparation, and upon request, any member shall have the right to inspect, but not copy or duplicate, such list or record at the meeting. Such list shall be evidence of the right of the persons designated therein to vote at such meeting.

5. Annual Report. At each Annual Meeting of Members, the Board of Directors shall present an Annual Report of the condition of the Corporation. Such reports shall be filed with the records of the Corporation and entered in the minutes of the proceedings of such Annual Meeting of Members.

6. Chairman of Meeting. Regular meetings of the members shall be presided over by the following officers: the President, or in his absence the Chairman of the Board, or in his absence a vice-president. If none of the foregoing is in office or present at the meeting, or in the event of special meetings called by the members, by a Chairman to be chosen by a majority of the votes cast by members in attendance. The Secretary or an Assistant Secretary of the Corporation shall act as Secretary of every meeting. When neither the Secretary nor an Assistant Secretary is available, the Chairman of the meeting may appoint a Secretary of the meeting.

7. Order of Business. The order of business at all meetings of members shall be as follows:

- Roll call of current members of the Board of Directors.
- Reading of the minutes of the preceding meeting.

- Report of standing committees.
- Old business.
- New business.

8. Voting Inspectors. The Chairman of the meeting may appoint one or more inspectors to act at any meeting of the members. Each appointed inspector shall affirm faithfully to execute the duties of inspector with strict impartiality and to the best of his ability. The inspectors shall determine the number of memberships outstanding, the voting power of each, the number of memberships represented at the meeting, and the validity and effect of proxies. The inspectors shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result and do such acts as are proper to conduct the election or vote of all members. The inspectors shall make a report in writing to the Chairman of the meeting of all matters determined by them with respect to such meeting.

9. Quorum. Except as expressly provided otherwise by law, either 10% of the membership or 35 members present and entitled to vote at any properly called meeting shall constitute a quorum for the transaction of any business. The members present may adjourn the meeting despite the holder thereof to one vote. In the election or approval of Directors or officers, a Plurality of the votes cast shall elect. Except to the extent provided by law, all other action shall be by a majority of the votes cast.

10. Member Entitlement. The Board of Directors shall fix, in advance, a date as the record date for determination of those entitled to membership rights and privileges. The date set shall not be more than thirty nor less than 15 days before any such meeting, nor more than 30 days prior to any other action. The record date shall be set for the purpose of determining all members with entitlement:

- to notice of any meeting of members, or
- for voting rights at any meeting of members, or
- any adjournment thereof, or
- to express consent or dissent of any proposal without a meeting, or
- for the purpose of determining the members to receive any distribution or any allotment of any rights, or
- for the purpose of any other action.

11. Certificate of Membership. Membership in the Corporation may be evidenced by the issuance by The Board of Directors of a certificate, card or other instrument. Such membership certificate shall be non-transferable, and a statement to that effect shall be noted on the certificate itself. Membership certificates, if issued, shall bear the signature or facsimile signature of an officer of the Board of Directors and may bear the seal of the corporation or a facsimile thereof.

## ARTICLE VI

### BOARD OF DIRECTORS

1. General Powers & Qualifications. The affairs of the Corporation shall be managed by its Board of Directors. Directors shall be residents of the State of Texas and members of the association. A Director may be the duly appointed representative of a partnership or corporation which is a member.

2. Number and Tenure. There shall be eleven (11) Directors, (including the Chairman of the Board, President, First -vice-president and Treasurer who shall be members of the Board of Directors). Directors are elected for a two-year term, except for the first election in which five Directors shall be elected to serve for a one year term. The number of directors elected each year thereafter at an annual meeting of the members shall be a number equal to one-half (1/2) of the total number of directors set forth herein, rounding down the second election and rounding up the third and rotating this process each year thereafter. Each Director shall hold office until his successor shall have been elected and qualified, provided that no director shall hold office more than four consecutive years at a time. If a member of the Board of Directors misses two consecutive Board meetings without a valid excuse, he or she, upon majority vote of the Board of Directors, may be removed from the Board.

3. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this By-law, immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place, either within or without the State of Texas, for the holding of additional regular meetings of the Board without other notice than such resolution.

4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board or any two (2) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place within the State of Texas as the place for holding any special meeting of the Board called by them.

5. Notice. Notice of any meeting of the Board of Directors shall be given by the Chairman of the Board, or in his absence, by the Secretary, at least seven (7) calendar days prior to the meeting. Such notice may be oral, but in the event it is oral the same must be immediately verified by sending written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the Records of the Association. If mailed such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Although any Association business may be considered at any Board meeting, the purpose of the meeting and all business to be considered at the meeting that is known by the persons calling the meeting must be made part of the meeting notification.

6. Quorum. A majority of the members of the entire Board of Directors attending any regular or special meeting for which appropriate notice has been given as required by these By-laws shall constitute a quorum for the transaction of business at such meeting.

7. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these By-laws. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the adjournment shall be given all directors who were absent at



the time of the adjournment and unless such time and place are announced at the meeting, to all directors.

8. Resignation. A Director may resign at any time by giving written notice to the Board or the President or the Secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer. Acceptance of the resignation shall not be necessary to make it effective.

9. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by appointment of the Board of Directors until the next election of Directors at a duly called meeting of the members. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

10. Compensation. Directors as such shall not receive any stated salaries for their services, but nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

11. Conflict of Interest. No contract or other transaction between the Board or the Association and a corporation, firm, association or other entity, in which one or more of its directors be either void or voidable for this reason alone or by reason alone that such director or directors are present at the meeting of the Board of Directors, or of a committee thereof, which approves such contract or transaction, or that his or their votes are counted for such purposes, if such common directorship, officership or financial interest is disclosed or known to the Board or Association and the Board approves such contract or transaction by a vote that is a majority of the entire Board, and such contract or transaction is fair and reasonable to the Board or Association.

12. Telephone Meeting. Members of the Board of Directors or authorized committees thereof, shall be deemed present at a meeting if a conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other, is used.

13. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

14. Removal. Any or all of the Directors may be removed by majority vote of the members. Except as provided herein and in Article VI(2) of these by-laws, a member of the Board of Directors may be removed by two-thirds majority action of all of the Board for illegal or immoral action that reflects adversely upon the Association.

## ARTICLE VII

### OFFICERS

1. Officers. An officer of the Association must be a licensed pawnbroker and a regular member of the Association. A licensed pawnbroker who is an officer, employee or agent of a corporate or partnership member of the Association may serve as an officer of the Association.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors and shall consist of a Chairman of the Board, a President, a First Vice President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other Officers as may be elected in accordance with the provisions of this Article. The Board of Directors may

elect or appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. The Board may elect or appoint an assistant treasurer who shall reside in the same area as the President, for the purpose of providing a convenient means for obtaining the signatures of the two (2) officers required on each check drawing on the account or accounts representing deposited funds of the Association. Any two (2) or more offices may be held by the same person, except the offices of Chairman of the Board, President and Secretary/Treasurer.

3. Removal. Any Officer elected by the members of the Association may be removed by members of the Association whenever the best interest of the association would be served thereby. Any officer elected or appointed by the Board of Directors may be removed by the members or the Board of Directors whenever the best interests of the Association would be served thereby.

4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

5. Chairman of the Board. The Chairman of the Board shall preside at meetings of the Board of Directors and have such other duties and responsibilities as provided in these by-laws. The Chairman shall assure that all Board actions and resolutions are properly recorded and communicated. It shall be the responsibility of the Chairman to determine that all decisions and resolutions of the Board are implemented in the manner intended and report his or her findings to the full Board.

6. President. The President shall be the Chief Executive Officer of the corporation and shall in general supervise all of the business and affairs of the Association. He shall preside at all meetings of the members. He may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-laws or by statute to some other officer or agent of the association; and in general he shall perform all duties that would otherwise be incidental to the office of a President and such other duties as may be prescribed by the Board of Directors from time to time.

7. Vice Presidents. In the absence of the President or in the event of his inability or refusal to act, the First Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order of their election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

8. Secretary/Treasurer. The duties of Secretary and Treasurer may be vested in one person. One or more assistants may be appointed by the Board of Directors to assist the Secretary/Treasurer in the performance of his/her duties.

Duties of Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for moneys due and payable to the Association from any source

whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these By-laws. The Treasurer shall in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. He shall at all reasonable times exhibit his books and accounts to any director or member of the Association upon application at the office of the Corporation during ordinary business hours. At the end of each corporate year he shall have an audit of the accounts of the Corporation made by a committee appointed by the Chairman of the Board, and shall present such audit in writing at the annual meeting of the members, at which time he shall also present an annual report setting forth in full the financial conditions of the Corporation.

Duties of Secretary. The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these By-laws or as required by law, be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these By-laws. The Secretary shall keep a register of the post office address of each member which shall be furnished to the Secretary by such member, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

9. Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the assistant treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant treasurers and assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Secretary/Treasurer, the President or the Board of Directors.

10. Bonds. Upon requirement by the Board of Directors, any officer or agent of the Corporation shall execute to the Corporation a bond in such sum and with such surety as the Board may direct, conditioned upon the faithful performance of his duties to the Corporation, including responsibility for negligence and for the accounting of all property, funds or security of the Corporation which may come into his hands.

## ARTICLE VIII

### COMMITTEES

1. Committees and Directors. The Board of Directors by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of one (1) or more directors; such committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Association; provided, however, that no committee shall have the power of electing, appointing or removing any member of any such committee or any Director or Officer of the Association; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Association or revoking proceedings

therefore; adopting a plan for the distribution of the assets of the Association; or amending, altering or repealing any resolution of the Board of Directors. 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, by law.

2. Other Committees. Other committees may be appointed by the majority vote of the members at any duly called meeting of the members to look into, consider, investigate and report back to the members any action, activity, office or any other aspect of the Association's business that the members choose to review. Any such committee shall receive the full cooperation of the Board of Directors, officers and employees of the Association in those endeavors consistent with the purpose of the committee.

3. Terms of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the Association and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

4. Committee Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

5. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

6. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

7. Rules. Each committee may adopt rules for its own government not inconsistent with these By-laws or with rules adopted by the Board of Directors.

## ARTICLE IX

### CONTRACTS, CHECKS, DEPOSITS AND FUNDS

1. Contracts. The Board of Directors may authorize any officer or officers, or agent or agents of the Association, in addition to the officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, provided that such authority be confined to specific instances.

2. Checks and Drafts. All checks, drafts, or orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President.

3. Deposits. All funds of the Association shall be deposited to the credit of the Association in such banks, trust companies or other depositories as directed by the President.

4. Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift or bequest for the general purpose or for any special purpose of the Association.

## ARTICLE X

### BOOKS & RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time.

## ARTICLE XI

### FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year. The fiscal year of the Corporation may be fixed by the Board of Directors from time to time, subject to applicable law.

## ARTICLE XII

### DUES

1. Annual Dues. The annual dues for Members and Associates shall be reviewed and set as needed by the Board of Directors to reflect association expenses.
2. Payment of Dues. Annual dues are due and payable on the first day of January of each year. Entities joining during a year shall pay for the entire year if their membership falls within January to June of that year, and shall pay for one-half of a year if their membership falls within July to December of that year. The Board of Directors may determine from time to time the schedule of payments for annual dues but at no time shall the schedule of payments be less than quarterly. Associate members must pay dues, in a single payment for the entire year regardless of the period during the year in which they join the Association.
3. Default and Termination of Membership. When any member of any class shall be in default in the payment of dues for a period of two (2) months from the beginning of the fiscal year or period for which such dues are payable, his membership may thereupon be terminated by the Board of Directors.

## ARTICLE XIII

### SEAL

The corporate seal shall be in such form as the Board of Directors shall from time to time prescribe.

## ARTICLE XIV

### WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the By-

laws of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## ARTICLE XV

### AMENDMENTS TO BY-LAWS

The by-laws of the Corporation shall not be changed or modified by the Board of Directors. The by-laws of the Corporation may only be changed or modified in content by a majority of the vote of the member votes authorized to be cast in a meeting of the members called in compliance with conditions set forth herein. These by-laws may be altered, amended or repealed, however, by a mail-in vote of the members as set forth in these By-laws by a majority vote of all of the members authorized to vote, and if notice of the proposed alteration or repeal to be made is set forth on the ballot. Any notice of meeting to members relating to the by-laws, shall set forth any amendments to the by-laws of the Corporation recommended by the person(s) calling the meeting, together with a concise statement of the changes recommended and reason(s) for the recommended changes.

## ARTICLE XVI

### INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Board of Directors shall authorize the corporation to pay or reimburse any present or former Director or Officer of the corporation for any loss, cost or expense actually and necessarily incurred by him in any action, suit or proceeding to which he is made a party by reason of his holding such position; provided, however, that he shall not receive such indemnification if he be finally adjudicated thereon to be liable for negligence or misconduct. The indemnification herein provided shall also extend to good faith expenditures incurred in anticipation of, or preparation for, threatened or proposed litigation. The Board of Directors may, in proper cases, extend the indemnification to cover the good faith settlement of any such action, suit or proceeding, whether formally instituted or not.

## ARTICLE XVII

### EXECUTIVE AND STAFF

1. Appointment. The Board of Directors may employ a salaried staff head who shall have the title of Executive Director and whose terms and conditions of employment shall be specified by the Board of Directors.

2. Authority and Responsibility. The Authority and responsibility of an Executive Director shall be to act as General Manager of the Association and shall manage and direct all activities of the Association as prescribed by the Board of Directors and shall be responsible to the Board of Directors. The Executive Director shall employ and may terminate the employment of members of the staff necessary to carry on the work of the Association and fix their compensation within the approved budget. The Executive Director shall define the duties of the staff, supervise their performance and delegate those responsibilities as shall be in the best interest of the Association. The Executive

Director shall carry out the duties of Secretary/Treasurer as defined in these by-laws with the approval of the Board of Directors. The Executive Director shall serve without vote as an ex-officio member of the Board of Directors and the Executive Committee if such a committee is duly formed. The President as the Chief Executive Officer of the Association shall direct the activities of the staff.