

**Bylaws**  
**of**  
**Green Building Initiative, Inc.**  
**(an Oregon nonprofit public benefit corporation)**

**ARTICLE I.**  
**Offices**

**Section 1.1 Principal Office.** The principal office for the transaction of the business of this corporation shall be located in the State of Oregon. The Board of Directors is hereby granted full power and authority to change the principal office from one location to another.

**Section 1.2 Other Offices.** Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where this corporation is qualified to do business.

**ARTICLE II.**  
**Purposes**

**Section 2.1 General.** This corporation is a nonprofit public benefit corporation, organized and operated to engage in any lawful activity permitted by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the Oregon Nonprofit Corporation Act (the “Act”).

**Section 2.2 Specific Purposes.** The specific purposes of this corporation include:

(a) Educating residential and commercial builders, developers, architects, realtors, consumers, and others involved in commercial or residential building, including government officials and bodies, about energy efficient and environmentally sustainable building practices;

(b) Developing standards for energy efficient and environmentally sustainable building practices, using a broad based, consensus oriented, standard setting procedure; and

(c) Promoting and encouraging the adoption of standards for energy efficient and environmentally sustainable building practices, including the certification of the adoptions thereof.

**Section 2.3 Prohibition on Private Inurement.** No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the corporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence

legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code. The corporation shall have the power to do all lawful acts necessary or desirable to carry out its purposes consistent with the Company's Articles of Incorporation, Bylaws, the provisions of the Act, and Section 501(c)(3) of the Code.

### **ARTICLE III. Membership**

**Section 3.1 Classes of Membership.** There shall be three classes of membership in this corporation: (i) Sustaining; (ii) Sponsoring; and (iii) Regular. As used herein, the term "member" may be used to refer generically to a Sustaining Member, Sponsoring Member, or Regular Member.

**Section 3.2 Membership Qualifications.** The following shall be the requirements for membership in each membership class:

**(a) Sustaining Members.** The Sustaining Members shall be individuals or entities. A Sustaining Member shall pay the annual membership dues identified on **Schedule A** to these Bylaws (the "Membership Dues Schedule"). A Sustaining Member shall cease to be a member in the event of its resignation or expulsion from this corporation.

**(b) Sponsoring Members.** Sponsoring Members shall be individuals or entities. A Sponsoring Member shall pay the annual membership dues identified on the Membership Dues Schedule. A Sponsoring Member shall cease to be a member in the event of its resignation or expulsion from this corporation.

**(c) Regular Members.** Regular Members shall be individuals or entities. A Regular Member shall pay the annual membership dues identified on the Membership Dues Schedule. A Regular Member shall cease to be a member in the event of its resignation or expulsion from this corporation.

### **Section 3.3 Affiliates; Additional Rights; Admission; Dues; Etc.**

**(a) Affiliates.** The Board of Directors may establish one or more classes of individuals or entities associated with this corporation. Such individuals or entities shall be referred to as "Affiliates", "Associates", "Contributors", or any other title as the Board of Directors deems appropriate (collectively, the "Affiliates"). Notwithstanding the foregoing, no class or classes of Affiliates shall have the right to vote (i) in the election of any directors, (ii) on a disposition of all or substantially all of the assets of this corporation, (iii) on a merger, (iv) on a dissolution or reorganization, (v) on amendments to this corporation's Articles of Incorporation (the "Articles") or Bylaws, or (vi) on any other action otherwise requiring the vote of members.

Further, Affiliates shall not be or have any of the rights and privileges of voting members as contemplated by Section 65.227 of the Act.

**(b) Additional Rights and Privileges of Members and Affiliates.** The Board of Directors may by resolution establish such additional rights, privileges and duties corresponding to each class of members and Affiliates provided that such rights, privileges, and duties are consistent with the Articles and these Bylaws.

**Section 3.4 Admission.** Decisions to admit members shall be made by the Board of Directors upon a determination that the member meets the qualifications established for membership as set forth in these Bylaws. The Board of Directors may by resolution authorize the Executive Director or other officer to make membership admission decisions consistent with the terms of these Bylaws and such resolution.

**Section 3.5 Dues, Fees and Assessments.** The Membership Dues Schedule may be amended or revised by the Board of Directors or its Committee designee; provided, however, that any such amendment or revision shall not operate retroactively, nor shall any increase take effect until such time as any then-current member becomes obligated to pay its next annual membership dues.

**Section 3.6 Termination of Membership.** The membership of any member shall terminate upon the occurrence of any one or more of the following:

**(a) Resignation.** Any member may resign from this corporation in a writing delivered to the Secretary of this corporation. The resignation of a member shall not relieve the member from any obligations the member may have to this corporation as a result of obligations incurred or commitments made prior to resignation, including without limitation, any membership dues, fees or assessments that are due and owing prior to the resignation. A resigning member shall not be entitled to receive any refund, pro rata or otherwise, of any membership dues, fees or assessments for the balance of the calendar year in which the resignation is effective.

**(b) Expulsion, Termination or Suspension.** Membership may be terminated by the Board of Directors after giving the member at least 15 days' written notice by first class or certified mail of the termination and the reasons for the termination, and an opportunity for the member to be heard by the Board of Directors, orally or in writing, no less than five days before the effective date of the termination. The decision of the Board of Directors shall be final and shall not be reviewed by any court.

**Section 3.7 Reinstatement.** Members suspended, terminated or expelled pursuant to Section 3.6(b) may be reinstated only upon the affirmative vote of the Board of Directors.

**Section 3.8 Property Rights.** No member shall have any right or interest in any of the property or assets of this corporation.

**Section 3.9 Nonliability.** No member shall be liable for the debts, liabilities, or obligations of this corporation merely by reason of being a member.

**Section 3.10 Nontransferability.** No member may transfer for value or otherwise a membership or any right arising therefrom, and all rights of membership shall cease upon the member's death, resignation, expulsion, termination or dissolution. Notwithstanding the foregoing:

(a) Upon the completion of any acquisition or merger involving a single member in which the member is not the surviving entity, the Board of Directors in its discretion may permit such member's membership to be transferred to the surviving entity for the remainder of the then-current membership year if the surviving entity qualifies for membership as provided in these Bylaws; provided, however, that the surviving entity shall remain liable for any unpaid membership dues, fees, or assessments of the disappearing member.

(b) Upon the completion of any acquisition or merger involving two members, one of the two memberships shall be deemed to expire as of the effective date of the merger, which election shall be made by the surviving entity provided the surviving entity qualifies for membership in the elected class; provided, however, that the surviving entity shall remain liable for any unpaid membership dues, fees, or assessments for both memberships for the then-current membership year; and

(c) The Board of Directors in its discretion may permit a member to transfer its membership to another entity within its same Control Group (as defined in Section 5.3(d), below) if the transferee qualifies for membership in the transferring member's class; provided, however, that the transferor and transferee shall be and remain jointly and severally liable for any unpaid membership dues, fees, or assessments of the transferring member.

The Board of Directors may grant a waiver of any provision of this Section 3.10 in its discretion, with the exception of the membership qualifications as set forth in these Bylaws.

**Section 3.11 Distribution of Assets upon Dissolution.** Upon the dissolution of the corporation, assets shall be distributed as determined by the Board of Directors, provided, however, that the assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or shall be distributed to the federal government or a state or local government, for a public purpose, or a person that is recognized as exempt under Section 501(c)(3) of the Code. Any such assets not so disposed of shall be disposed of by the court of appropriate jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes, or to such organization or organizations, as the court shall determine, which are organized and operated exclusively for such purposes.

#### **ARTICLE IV. Membership Meetings**

**Section 4.1 Place of Meetings.** All meetings of members shall be held either at the principal office of this corporation or at any other place within or without the State of Oregon, as determined by the Board of Directors pursuant to the authority hereinafter granted to the Board of Directors.

**Section 4.2 Annual Meetings.** The annual meeting of the members of this corporation shall be held in each calendar year, on such date and at such time and place as determined by the Board of Directors. Annual meetings may be held in any manner permitted by law.

**Section 4.3 Special Meetings.** Special meetings of the members shall be held at the call of the Board of Directors, the Chairman of the Board of Directors, or members holding ten percent (10%) or more of the voting power of this corporation by a written demand signed, dated, and delivered to the Secretary. Notice of a special meeting shall be given within thirty days following the date the written demand is delivered to the Secretary, in accordance with Section 4.4 below. Special meetings may be held in any manner permitted by law.

**Section 4.4 Notice of Meetings.** Notice of each annual and special meeting of the members and written ballot for election of directors or otherwise, if any, shall be given to each member at the last address of record, by first class mail or by any means other than mail (including email) at least seven days before the meeting. The notice shall include the date, time, and place of the meeting or the date on which the ballot shall be returned if applicable. Notice of each annual and special meeting shall include a description of any matter or matters that must be approved by the members pursuant to these Bylaws or applicable law. In the case of an annual meeting at which directors shall be elected, the notice shall specify the names of all those who are candidates for election of directors at the time the notice is given, and in the case of special meetings, the purpose or purposes for which the meeting is called. Such notice shall be given in writing to every member of this corporation who, on the record date for notice of the meeting, is entitled to vote thereat.

**Section 4.5 Adjourned Meetings.** Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned by the vote of a majority of the members either present in person or represented by proxy. No meeting may be adjourned for more than 14 days, annual or special, to another time or place. It shall not be necessary to give any such notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by an announcement at the meeting at which such adjournment is taken. If after the adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting.

**Section 4.6 Proxies.** Every member entitled to vote shall have the right to do so in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Secretary of this corporation; but no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the person executing it specifies therein the length of time for which such proxy is to continue in force. A proxy is effective when received by the Secretary or other officer or agent authorized to tabulate votes and must be received prior to the closing of the voting in order to be effective.

**Section 4.7 Quorum.** Unless otherwise provided herein, those votes represented at a meeting of the members shall constitute a quorum for the transaction of business. Unless otherwise provided herein, if a quorum is present in person or by proxy then any action approved by a majority of the members so present shall be the act of the members.

**Section 4.8 Voting.** Each member is entitled to one vote on each matter submitted to a vote of the members of such membership class. Single memberships in which two (2) or more persons have an indivisible interest shall be treated as provided in Section 65.227(2) of the Act. Voting shall be by voice vote, unless the chair of the meeting at which such vote takes place directs such voting to be by ballot. Cumulative voting for the election of directors or otherwise shall not be authorized.

**Section 4.9 Action by Written Ballot.** Any action that may be taken at any annual, regular or special meeting of members may be taken without a meeting if this corporation delivers a written ballot to every member entitled to vote on the matter. Such written ballot shall (i) set forth the proposed action, (ii) provide an opportunity to specify approval or disapproval of each proposed action, and (iii) specify a reasonable time within which to return the ballot to this corporation. Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds any quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the total number of votes cast by ballot. Ballots shall be distributed to members at the last address of record by first class mail or by email. In any election of directors by written ballot, the ballot shall name the candidates for directors, and shall provide a space entitled “withhold” in which a member may indicate that the authority to vote for the election of directors is withheld. All ballots distributed in accordance with this Section 4.9 shall indicate the number of responses needed to meet any quorum requirement and, with respect to each matter other than the election of directors, state the percentage of approvals necessary to pass each matter. All written ballots distributed in accordance with this Section 4.9 shall specify a reasonable time by which the ballot must be received in order to be counted.

**Section 4.10 Conduct of Meetings.** Meetings of members shall be presided over by the Chairman of the Board of this corporation, or in his absence, by the Executive Director, and in the absence of all of them, by the chair chosen by a majority of the members present. The Secretary of this corporation shall act as the secretary of all meetings of members, provided that in his absence the presiding officer shall appoint another member to act as Acting Secretary of the meeting.

## **ARTICLE V. Board of Directors**

**Section 5.1 Powers.** Subject to the limitations of the Articles, the Bylaws, and the Act, and subject to the duties of directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of this corporation shall be controlled by, the Board of Directors. The Board of Directors shall have the power to select and remove all officers, agents, employees and contractors, and to fix reasonable compensation therefor, to authorize and empower officers or agents to enter into contracts and other commitments on behalf of this corporation, and to appoint and delegate responsibilities and authority to committees, officers and agents.

**Section 5.2 Composition of the Board of Directors; Terms.**

(a) The Board of Directors shall consist of not less than three (3) and no more than thirty (30) directors. The number of directors shall be set from time to time by resolution of the Board of Directors, but no decrease in number shall have the effect of shortening the term of any incumbent director. Prior to the first meeting at which members elect directors, the directors shall be elected by the Board of Directors. Each director shall hold office until his or her successor is elected and qualified, or until his or her earlier death, resignation, or removal.

(b) Following the first annual meeting at which members elect directors, the Board of Directors shall be divided into three (3) classes of directors as nearly equal in number as possible, known as Class I, Class II, and Class III. Initially, the Directors of Class I shall serve for a term of one (1) year, those of Class II for a term of two (2) years, and those of Class III for a term of three (3) years, commencing on the effective date of the first election of directors. At each subsequent annual meeting of the Board of Directors at which directors are elected, the successors(s) of the directors whose term then expires shall be elected to serve a term of three (3) years.

**Section 5.3 Member Election of the Board of Directors; Qualification.** Following the first annual meeting at which members elect directors, the directors serving on the Board of Directors shall be selected in the following manner:

(a) **Class I Directors.** The Sustaining Members, voting as a separate class, shall elect that number of Class I Directors (i) up to, but not exceeding, one-third (1/3) of the total number of directors on the Board of Directors following such election, or (ii) such fewer number as equals the total number of Sustaining Members. Each Sustaining Member shall be entitled to nominate a single individual in such election, provided that such nominee must be and remain an employee, officer, director, or consultant of the nominating Sustaining Member in order to be elected to serve as a Class I Director. The Class I Directors shall be elected at a meeting of the Sustaining Members, by written ballot delivered to the Sustaining Members, or in some other manner authorized by the Act. Upon the termination of the membership of a Sustaining Member pursuant to Section 3.6 for any reason, then any Class I Director nominated by such Sustaining Member shall immediately resign. Upon termination of a Class I Director's relationship as an employee, officer, director, or consultant of the nominating Sustaining Member, such Class I Director shall immediately resign. The provisions of this Section 5.3(a) may not be amended except upon the unanimous written consent of the Sustaining Members.

(b) **Class II Directors.** The Members, voting as a combined class, shall elect that number of Class II Directors up to, but not exceeding one-third (1/3) of the total number of directors on the Board of Directors following such election. Each Class II Director shall be an employee or consultant of, or otherwise have significant professional connection with residential or commercial builders, developers, architects, realtors, or others involved in commercial or residential building. The Class II Directors shall be elected at a meeting of the Members, by written ballot delivered to the Members, or in some other manner authorized by the Act.

(c) **Class III Directors.** The Members, voting as a combined class, shall elect that number of Class III Directors up to, but not exceeding one-third (1/3) of the total number of directors on the Board of Directors following such election. Each Class III Director shall be an employee or consultant of, or otherwise have significant professional connection with

academic institutions, governmental bodies, or non-governmental organizations, and have expertise in the education, promotion, or development of energy efficient and environmentally sustainable building practices. The Class III Directors shall be elected at a meeting of the Members, by written ballot delivered to the Members, or in some other manner authorized by the Act.

**(d) Restrictions on Eligibility to Serve as a Director; Control Groups.** No more than one (1) individual employed by or affiliated with a Control Group (as defined below) that is Controlled (as defined below) by a Sustaining Member, a Sponsoring Member, or a Regular Member, that Controls a Sustaining Member, a Sponsoring Member, or a Regular Member, or that is Controlled by a corporation or entity controlling a Sustaining Member, a Sponsoring Member, or a Regular Member shall be permitted to serve as a director of this corporation at one time. For purposes of this section, “Control” shall mean (i) the ownership of more than 50% of the total voting securities of another entity, or (ii) in the case of unincorporated entities “Control” shall mean the ownership of more than 50% of the ownership interest representing the right to make decisions for the entity; and “Control Group” shall include all corporations or other entities which are Controlled by a Sustaining Member, a Sponsoring Member, or a Regular Member, which Control a Sustaining Member, a Sponsoring Member, or a Regular Member, or which are also Controlled by this corporation or entity Controlling a Sustaining Member, a Sponsoring Member, or a Regular Member.

**Section 5.4 Vacancies.** Vacancies in the Board of Directors shall be filled in an election by a majority of members in the class or classes that elected such director. Notwithstanding the foregoing, the Board of Directors may appoint an interim director to fill any director vacancies until such time as a successor is elected by the members of the appropriate class or classes; provided, however, that in the case of a Class I Director vacancy, any such interim Class I Director must be an employee, officer, director, or consultant of a Sustaining Member. Each director elected pursuant to this Section 5.4 shall hold office until his or her successor is elected. A vacancy or vacancies shall be deemed to exist (i) in the case of the death or the resignation or removal of any director pursuant to Section 5.16, or (ii) if the authorized number of directors is increased without election of the additional directors so provided for, (iii) in the case of failure at any time to elect the full number of authorized directors or (iv) automatically, upon the failure of a director to attend three (3) consecutive regularly scheduled Board meetings.

**Section 5.5 Place of Meetings.** All meetings of the Board of Directors may be held at any place within or without the State of Oregon, which has been designated from time to time by resolution of the Board of Directors or by the written notice of the Chairman of the Board of Directors.

**Section 5.6 Regular Meetings.** Regular meetings of the Board of Directors will be held at least semi-annually, except as may otherwise be specified and noticed by the Board of Directors or by the Chairman of the Board of this corporation.

**Section 5.7 Special Meetings.** Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board of Directors or by twenty percent (20%) or more of the directors then in office.

**Section 5.8 Notice of Meetings; Attendance.** Regular scheduled meetings of the Board of Directors may be held without notice of the date, time or purpose of the meeting. Notice of the time and place of each meeting of the Board of Directors not fixed by an express provision of the Bylaws or by a standing resolution of the Board of Directors shall be given to each director not less than fifteen (15) days before the date of the meeting. Such notice may be given personally or by telephone, telegraph, facsimile, electronic mail, or first-class mail.

**Section 5.9 Action without Meeting.** Any action required or permitted to be taken by the Board of Directors under any provision of the Act may be taken without a meeting if all members of the Board of Directors shall individually or collectively consent in writing to such action. The action shall be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken hereunder is effective when the last director signs the consent, unless the consent specifies an earlier or later effective date. A consent signed hereunder has the effect of a meeting vote and may be described as such in any document.

**Section 5.10 Telephonic Meetings.** The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through, use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

**Section 5.11 Quorum; Prohibition on Proxy Voting.** Unless otherwise provided herein, the presence of at least a majority of the directors then in office, with at least one-third (1/3) of those present being Class I Directors, shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by at least seventy-five percent (75%) of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors unless applicable law, the Articles, or these Bylaws specifically provide for a greater or lesser number. Proxy voting by directors is not permitted.

**Section 5.12 Fees and Compensation.** Directors and members of committees may receive such compensation, if any, for their services and such reimbursement for expenses as may be fixed or determined by resolution of the Board of Directors; provided that such compensation shall be reasonable and shall be comparable to that compensation paid by unaffiliated entities for a like position. Nothing herein shall be considered to preclude any director from serving this corporation in any other capacity, including as an officer, agent, employee, consultant or otherwise, and receiving reasonable compensation therefor.

**Section 5.13 Indemnity.** The corporation shall indemnify its directors to the fullest extent allowed by Sections 65.391 through 65.397 of the Act.

**Section 5.14 Standard of Conduct.** Pursuant to Section 65.357 of the Act, a director shall discharge the duties of a director, including duties as a member of any committee of the Board of Directors upon which the director may serve, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the director reasonably believes to be in the best interests of the corporation. In discharging the duties of a director, a director shall be entitled to rely on information, opinions, reports or

statements, including financial statements and other financial data, in each case if prepared or presented by: (a) one or more officers or employees of this corporation whom the director reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, public accountants or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or (c) a committee of the Board of Directors of which the director is not a member, as to matters within the committee's jurisdiction, if the director reasonably believes the committee merits confidence. A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance otherwise permitted in this Section 5.14 unwarranted. A director is not liable to the corporation, any member or any other person for any action taken or not taken as a director, if the director acted in compliance with this Section 5.14. The liability of a director for monetary damages to the corporation and its members shall be eliminated to the fullest extent provided by Section 65.047(2)(c) of the Act.

### **Section 5.15 Conflict of Interest Transactions.**

**(a) Conflict of Interest.** As used in this section, a "conflict of interest transaction" is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. A director has an indirect interest in a transaction if another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction, or if another entity of which the director is a director, officer or trustee is a party to the transaction and the transaction is or should be considered by the Board of Directors of the corporation.

**(b) Approval.** A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction is fair to the corporation at the time it was entered into or is approved either (i) in advance by the vote of the Board of Directors or a committee of the Board of Directors if the material facts of the transaction and the director's interest were disclosed or known to the Board of Directors or a committee of the Board of Directors, or (ii) if the material facts of the transactions and the director's interest were disclosed or known to the members and they authorized, approved or ratified the transaction. A conflict of interest transaction is so authorized, approved or ratified as follows:

**(i) By Directors.** By the directors, if it receives the affirmative vote of a majority of the directors on the Board of Directors or a committee of the Board of Directors who have no direct or indirect interest in the transaction; provided that a transaction may not be so authorized, approved or ratified by a single director. If a majority of the directors who have no direct or indirect interest in the transaction votes to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking such action. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action so taken hereunder if the transaction is otherwise approved as permitted under Section 65.361 of the Act.

**(ii) By Members.** By the members, if it receives a majority of the votes entitled to be counted. Votes cast by or voted under the control of a director who has a direct or indirect interest in the transaction, and votes cast by or voted under the control of an entity described in subsection (4) of Section 65.361 of the Act may be counted in a vote of

members to determine whether to authorize, approve or ratify a conflict of interest transaction hereunder. A majority of the members, whether or not present, that are entitled to be counted in a vote on the transaction hereunder constitutes a quorum for the purpose of taking action hereunder.

#### **Section 5.16 Resignation and Removal.**

(a) **Resignation.** Any director may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board of Directors, or the Secretary of this corporation. A resignation is effective when the notice is effective under Section 65.034 of the Act, unless the notice specifies a later effective date. Once delivered, a notice of resignation is irrevocable unless permitted to be withdrawn by the Board of Directors prior to its effectiveness.

(b) **Removal for Cause.** The members may remove for cause, at a meeting called for that purpose, any director elected by the members who has been declared of unsound mind by a final order of court, or convicted of a felony, or found by a final order or judgment to have breached any duty arising under these Bylaws, the Articles or Section 65.357 of the Act. Only the members of the class or classes that elected such director may vote to remove such director, and the director may be removed only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect such director.

(c) **Removal without Cause.** Any director may be removed without cause at a meeting called for that purpose by the members of the class or classes that elected such director. Such director may be removed hereunder only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect such director.

**Section 5.17 Industry Advisory Board.** The corporation shall have a board of advisors (the "Advisory Board"). Each Sustaining and Sponsoring Member shall be entitled to appoint one individual to the Advisory Board. The Board of Directors shall not be bound by any advice or decision of the Advisory Board. The members of the Advisory Board shall not have the rights or privileges of directors or members as set forth in the Act and shall have no power or authority over the operation of this corporation. Advisory Board members shall hold office until their respective successors are appointed. The term of office for an Advisory Board member shall not exceed one (1) year. There shall be no prohibition on re-appointment of any Advisory Board member following the completion of that Advisory Board member's term of office. Each Advisory Board member may be removed and/or replaced at any time by the Sustaining or Sponsoring Member entitled to appoint such Advisory Board member.

### **ARTICLE VI.**

#### **Officers**

**Section 6.1 Officers.** The officers of this corporation shall be a Chairman of the Board, Executive Director, President, Secretary and such other officers as the Board of Directors may appoint.

**Section 6.2 Nomination and Election.** The officers of this corporation shall be elected annually by the Board of Directors in accordance with this Article 6. Each officer shall

hold his or her office until he or she shall resign or shall be removed or his or her successor shall be elected and qualified. Elections of officers shall be held promptly following the election of directors each year. Each officer's term of office shall be one year. Subject to the other limitations contained in this Section 6.2, there shall be no prohibition on re-election of an officer following the completion of that officer's term of office. The Board of Directors may, by resolution, establish procedures governing nomination and election of officers that are consistent with these Bylaws.

### **Section 6.3 Removal and Resignation.**

**(a) Removal.** Any officer other than the Chairman of the Board may be removed, either with or without cause, by the Board of Directors at any regular or special meeting thereof. The Chairman of the Board may be removed, either with or without cause, by the majority of the Class I Directors then in office.

**(b) Resignation.** Any officer may resign at any time by giving written notice to the Board of Directors, or to any officer of this corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Such resignation shall not prejudice the rights of this corporation under any contract to which the officer is a party. Once delivered, a notice of resignation is irrevocable unless otherwise permitted to be withdrawn by the Board of Directors prior to being effective.

**Section 6.4 Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

**Section 6.5 Chairman of the Board.** At its annual organizational meeting, the Board of Directors shall elect, from among those who are, or are to be, directors, a Chairman of the Board. The then-serving Chairman of the Board shall have the authority to cast a tie-breaking vote in the election of any directors or officers other than Chairman of the Board. The Chairman of the Board shall have such other duties and authority as may be designated from time to time by the Board of Directors.

**Section 6.6 Executive Director.** The Executive Director shall be in general charge of the corporation's business and affairs, shall report to the Chairman of the Board, and shall be subject to the control of the Board of Directors. In the absence of a Chairman of the Board, the Executive Director shall preside at all meetings of members. The Executive Director may execute on behalf of the corporation and, when required, upon approval and at the direction of the Board of Directors, all contracts, agreements, membership certificates, and other instruments. The Executive Director shall from time to time report to the Board of Directors and the Chairman of the Board all matters within the Executive Director's knowledge affecting the corporation that should be brought to the attention of the Board of Directors. The Executive Director shall vote all shares of stock in other corporations owned by the corporation and is empowered to execute proxies, waivers of notice, consents, and other instruments in the name of the corporation with respect to such stock. The Executive Director shall perform other duties assigned by the Board of Directors.

**Section 6.7 President.** The President, in the absence of the Executive Director, shall be in general charge of the corporation's business and affairs, shall report to the Chairman of the Board, and shall be subject to the control of the Board of Directors. The President may execute on behalf of the corporation and, when required, upon approval and at the direction of the Board of Directors, all contracts, agreements, membership certificates, and other instruments. The President shall from time to time report to the Board of Directors and the Chairman of the Board all matters within the President's knowledge affecting the corporation that should be brought to the attention of the Board of Directors. The President shall perform other duties assigned by the Board of Directors.

**Section 6.8 Secretary.** The Secretary shall have overall responsibility for all recordkeeping. The Secretary shall perform, or cause to be performed, the following: (a) official recording of the minutes of all proceedings of the Board of Directors, including the committees thereof, and members' meeting and actions; (b) provision for notice of all meetings of the Board of Directors and members; (c) authentication of the records of the corporation; (d) maintaining current and accurate membership lists; and (e) any such other powers and duties as may be designated from time to time by the Board of Directors.

**Section 6.9 Standards of Conduct for Officers.** Pursuant to Section 65.377 of the Act, an officer shall discharge the officer's duties, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the officer reasonably believes to be in the best interests of the corporation. In discharging the duties of an officer, an officer shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case if prepared or presented by: (a) one or more officers or employees of this corporation whom the officer reasonably believes to be reliable and competent in the matters presented; or (b) legal counsel, public accountants or other persons as to matters the officer reasonably believes are within the person's professional or expert competence. An officer is not acting in good faith if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted in this Section 6.9 unwarranted. An officer is not liable to the corporation, any member or any other person for any action taken or not taken as an officer, if the officer acted in compliance with this Section 6.9. The liability of an officer for monetary damages to the corporation and its members shall be eliminated to the fullest extent permitted by Section 65.047(2)(c) of the Act.

**Section 6.10 Indemnity.** The corporation shall indemnify its officers to the fullest extent allowed by Section 65.407 of the Act.

## **ARTICLE VII. Committees**

**Section 7.1 Appointment of Committees.** The Board of Directors may appoint such committees as the Board of Directors from time to time deems necessary or appropriate to conduct the business and further the objectives of this corporation. The appointment by the Board of Directors of any committee having the authority of the Board of Directors shall be by resolution adopted by the Board of Directors. Any committee having authority of the Board of Directors shall consist of two (2) or more directors who serve at the pleasure of the Board of

Directors. The Board of Directors shall retain the right to limit the powers and duties of any committee that it has created and to disband any such committees in its sole discretion.

**Section 7.2 Powers and Authority of Committees.** The Board of Directors may delegate to any committee having the authority of the Board of Directors, any of the powers and authority of the Board of Directors in the management of the business and affairs of this corporation; provided, however, that no committee may: (a) authorize distributions; (b) approve or recommend to members dissolution, merger or the sale, pledge or transfer of all or substantially all of this corporation's assets; (c) elect, appoint, or remove directors or fill vacancies on the board or on any of its committees; or (d) adopt, amend or repeal the Articles, the Bylaws, or any resolution of the Board of Directors.

## **ARTICLE VIII.**

### **Miscellaneous**

**Section 8.1 Fiscal Year.** The fiscal year of this corporation shall end on the last day of December of each year.

**Section 8.2 Inspection of Corporate Records.** A member's right to inspect and copy records of the corporation shall be as provided in and subject to the terms and conditions of Sections 65.774 and 65.777 of the Act.

**Section 8.3 Checks, Drafts, Etc.** All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to this corporation and any and all securities owned by or held by this corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board of Directors.

**Section 8.4 Corporate Loans, Guarantees and Advances.** This corporation shall not make any advances or make any loan of money or property to or guarantee the obligation of any director or officer.

**Section 8.5 Maintenance of Records.** This corporation shall maintain corporate records as required by Sections 65.771 and 65.774 of the Act.

**Section 8.6 Political Activities.** This corporation shall not make any political expenditure or lobbying expenditure which will result in the loss of, or otherwise adversely affect, its status as a tax-exempt organization under the Internal Revenue Code of 1986, as amended.

**Section 8.7 Form of Written Ballots.** Ballots submitted in facsimile or electronic form shall be considered acceptable substitutes for printed ballots for all purposes.

## **ARTICLE IX.**

### **Effective Date, Amendments and Dissolution**

**Section 9.1 Effective Date.** These Bylaws shall become effective immediately upon their adoption. Amendments to these Bylaws shall become effective immediately upon their

adoption unless the Board of Directors of this corporation in adopting them provide that they are to become effective at a later date.

**Section 9.2 Bylaw Amendments.** Except to the extent otherwise provided in these Bylaws, these Bylaws may be amended or repealed, and new Bylaws adopted, by the Board of Directors with the affirmative vote of at least seventy-five percent (75%) of the directors present if a quorum is present. Prior to the adoption of any such amendment, each director shall be given at least thirty (30) days' notice of the date, time, and place of the meeting at which the proposed amendment is to be considered, and the notice shall state that one of the purposes of the meeting is to consider a proposed amendment to the Bylaws and shall contain a copy of the proposed amendment.

**Section 9.3 Dissolution.** This corporation may be dissolved upon the affirmative vote of at least seventy-five percent (75%) of the directors then in office if a quorum is present.