

Bylaws of DALLAS BRIDGE ASSOCIATION

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I - NAME; PURPOSES; OFFICE	1
Section 1.1 Name	1
Section 1.2 Organization.....	1
Section 1.3 Purposes	1
Section 1.4 Registered Office	1
ARTICLE II - AMERICAN CONTRACT BRIDGE LEAGUE	1
ARTICLE III - ACBL UNIT JURISDICTION	1
ARTICLE IV - MEMBERSHIP	2
Section 4.1 Members	2
Section 4.2 Rights and Obligations.....	2
Section 4.3 Termination of Membership	2
ARTICLE V - MEMBERSHIP MEETINGS	2
Section 5.1 Annual Meeting	2
Section 5.2 Special Meetings.....	2
Section 5.3 Place of Meetings.....	2
Section 5.4 Notice of Special Meetings	2
Section 5.5 Quorum and Voting	3
Section 5.6 Proxy Voting.....	3
ARTICLE VI - BOARD OF DIRECTORS.....	3
Section 6.1 Powers and Duties.....	3
Section 6.2 Directors' Fiduciary Duties and Standards of Conduct	4
Section 6.3 Nomination and Election of Directors.	4
Section 6.4 Number and Qualifications	5
Section 6.5 Term of Office	5
Section 6.6 Regular and Special Meetings	5
Section 6.7 Notice.....	5
Section 6.8 Waiver of Notice.....	6
Section 6.9 Participation in meeting by Conference Telephone.....	6
Section 6.10 Quorum	6
Section 6.11 Manner of Acting.....	6
Section 6.12 Vacancies	6
Section 6.13 Removal	6
Section 6.14 Resignation	6
Section 6.15 Voting by Proxy.....	6
Section 6.16 Automatic Removal of Directors	6
Section 6.17 Right of Unit Members to Attend Board Meetings	7
Section 6.18 Roberts Rules of Order	7
ARTICLE VII - OFFICERS	7
Section 7.1 Designations.....	7
Section 7.2 President.....	7

Section 7.3	Vice President	7
Section 7.4	Secretary	7
Section 7.5	Treasurer	7
Section 7.6	Delegation	7
Section 7.7	Removal	8
Section 7.8	Vacancies	8
Section 7.9	Compensation and Reimbursement of Officers.....	8
Section 7.10	Resignation of Officers	8
ARTICLE VIII	- COMMITTEES	8
Section 8.1	Establishment.....	8
Section 8.2	Executive Committee.....	8
Section 8.3	Nominating Committee.....	8
Section 8.4	Disciplinary Committee	8
Section 8.5	Other Committees	9
Section 8.6	Term of Office	9
ARTICLE IX	- AMENDMENT OF THE BYLAWS	9
ARTICLE X	- EXECUTIVE SECRETARY.....	9
ARTICLE XI	- INDEMNIFICATION OF DIRECTORS AND OFFICERS	9
Section 11.1	Mandatory Indemnification: Directors or Officers Successful in Defense	9
Section 11.2	Indemnification: Whether Successful or Not in Defense.	9
Section 11.3	Indemnification Procedure.....	10
Section 11.4	Authorization of Payment.....	11
Section 11.5	Advancement of Expenses.....	11
Section 11.6	Other Rights	12
Section 11.7	Insurance	12
Section 11.8	Other Arrangements.....	12
Section 11.9	Other Provisions Applicable to Insurance and Other Arrangements.....	12
Section 11.10	Severability	12
Section 11.11	Appearance as a Witness or Otherwise.....	13
ARTICLE XII	- MISCELLANEOUS	13
Section 12.1	Inoperative Portion.....	13
Section 12.2	Interpretation.....	13
Section 12.3	Books and Records	13
Section 12.4	Annual Report.....	13
Section 12.5	Fiscal Year	13
Section 12.6	Loans.....	13
ARTICLE XIII	- DISSOLUTION AND NONPROFIT STATUS.....	13

BYLAWS
OF
DALLAS BRIDGE ASSOCIATION

ARTICLE I
NAME; PURPOSES; OFFICE

Section 1.1 Name. The name of this organization shall be the Dallas Bridge Association. The Dallas Bridge Association is also known as Unit 176 of the American Contract Bridge League (“ACBL”) and is referred to in these Bylaws as the “Unit.”

Section 1.2 Organization. The Unit is an unincorporated association.

Section 1.3 Purposes. The purposes for which the Unit is organized are: to foster community welfare in the furtherance of the game of contract bridge in its various forms of competition; to promulgate high standards of conduct and ethics to its members, and to enforce such standards; to provide organized bridge activities and services to satisfy the social, recreational, and competitive needs of the membership and the community; to conduct tournaments and other competitive events as permitted by the ACBL; and to conduct such other activities as may be in keeping with its principal objectives.

Section 1.4 Registered Office. The registered office of the Unit shall be located in the State of Texas at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law.

ARTICLE II
AMERICAN CONTRACT BRIDGE LEAGUE

The Unit is a separate legal entity that interacts with the ACBL through the Unit charter process and exists for the purposes specified in Article I of these Bylaws. As such, the Unit and its members shall be subject to and abide by the Bylaws and regulations of the ACBL as in existence and amended from time to time by the ACBL. No rule, regulation or bylaw adopted by the Unit shall be inconsistent with or be in contravention of the rules, regulations and bylaws of the ACBL. The Unit shall conduct its affairs in a manner consistent with the rules, regulations, policies, procedures and bylaws of the ACBL.

ARTICLE III
ACBL UNIT JURISDICTION

The geographical area within which the Unit shall have ACBL jurisdiction is such area as is presently or may be in the future assigned to it by the Board of Directors of the ACBL.

Error! Unknown document property name.

ARTICLE IV MEMBERSHIP

Section 4.1 Members. Any person who is a member of the ACBL and resides within the geographical area over which the Unit has jurisdiction shall be a member of the Unit. Any person who lives outside the geographical area over which the Unit has jurisdiction may apply for membership in the Unit according to regulations established by the ACBL. Any person who resides within the geographical area of the Unit may apply to become a member of a different Unit according to regulations established by the ACBL.

Section 4.2 Rights and Obligations. In accordance with the procedures established by the ACBL Board of Directors, the members of the Unit shall have voting rights and any other legal rights or privileges in connection with the governance of the Unit. Members of the Unit shall be required to abide by, and to conduct themselves in a manner consistent with the Bylaws, regulations, policies, code of conduct and ethics standards established by the ACBL.

Section 4.3 Termination of Membership. A member shall remain a member of the Unit unless and until he ceases to be a member of the ACBL or until he changes his residence to a place outside the jurisdiction of the Unit, without taking the necessary steps to retain membership in the Unit, pursuant to ACBL regulations.

ARTICLE V MEMBERSHIP MEETINGS

Section 5.1 Annual Meeting. The annual meeting of the members of the Unit shall be held between the Sunday morning and afternoon sessions of the Sectional Tournament held in the Unit in January or February of each year or at such other time and place as may from time to time be fixed by President of the Unit (the "President") or the Board. The agenda of the annual meeting shall include presentation of an annual report of the finances and activities of the Unit and transaction of such other business as may properly come before the meeting. Failure to hold an annual meeting shall not work a forfeiture or dissolution of the Unit or invalidate any action taken by the Board of Directors or Officers of the Unit.

Section 5.2 Special Meetings. Special meetings of the members of the Unit may be called by the President or by the Board of Directors. The President shall call a special meeting on petition by not less than ten percent (10%) of the members entitled to vote.

Section 5.3 Place of Meetings. All membership meetings of the Unit shall be held within the geographical limits of the Unit.

Section 5.4 Notice of Special Meetings. Notice, written, printed or by electronic transmission, stating the place, day, hour and the purpose or purposes for which the special meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, by or at the direction of the President, Secretary or officers or persons calling the meeting, to each member entitled to vote at such meeting.

Section 5.5 Quorum and Voting. Fifty (50) of the members in good standing of the Unit shall constitute a quorum at any meeting of the membership; provided that if a quorum is not present at any meeting, a majority of the members present may adjourn the meeting from time to time without notice. The action of a majority of the members voting at a meeting at which a quorum is present shall be binding on the membership, except as otherwise specifically provided in these Bylaws. In elections of directors, the nominees receiving a plurality of the votes cast shall be elected. For example, if three directors are being elected, the three nominees who receive the greatest number of votes shall be elected, regardless of whether they receive a majority of the votes cast.

Section 5.6 Proxy Voting. No proxy voting shall be permitted at meetings of members of the Unit.

ARTICLE VI BOARD OF DIRECTORS

Section 6.1 Powers and Duties. The management of all business, property, and interests, and the other affairs of the Unit shall be vested in its board of Directors (the "Board"). Among the powers hereby conferred is the power to impose sanctions upon members in accordance with ACBL rules and regulations, to delegate non-policy making authority to members who are not directors, and in general, to take such other and further actions as may from time to time be necessary to further and implement the purposes and aims of the Unit as set forth in Article I. The Board is the sole judge of its own membership. Without limiting the above, and in addition to the powers granted by other provisions of these Bylaws and by the laws of the State of Texas, the Board shall have the following specific powers:

- (a) To acquire, hold, administer, maintain and dispose of all the property of the Unit;
- (b) To appropriate the funds of the Unit for the purposes set forth in these Bylaws;
- (c) To hire and discharge employees, to retain independent contractors and to supervise their conduct and to fix their compensation;
- (d) To obtain professional advise or services when desired;
- (e) To audit all receipts and disbursements of the Unit, and to make a financial report thereof at the annual meeting of members;
- (f) To conduct, manage, supervise and control all of the business of the Unit, including, but not limited to, the conduct of tournaments, the selection of all the dates and locations for holding tournaments and making of all contracts in connection therewith;
- (g) To regulate the operation of clubs located within the Unit's geographical boundaries, as authorized and empowered by the ACBL.

Section 6.2 Directors' Fiduciary Duties and Standards of Conduct. Each Director is subject to a duty of loyalty to the Unit and a duty of care in performance of his duties as a director.

Section 6.3 Nomination and Election of Directors.

(a) At a time reasonably in advance of each annual meeting of the members of the Unit, the President shall appoint a nominating committee, (the "Nominating Committee"). The Nominating Committee shall be composed of five members, not more than two (2) of which are then serving as members of the Board. The Nominating Committee shall determine and present to the members, by means reasonably designed to effectively communicate to the members, at least thirty (30) days before the annual meeting of members, a list of nominees for election as directors to fill the positions of those directors whose terms shall next expire.

(b) In addition to those persons nominated by the Nominating Committee, other persons may be nominated to serve as directors if a petition signed by at least 100 members in good standing nominating such persons is submitted to the President not later than forty-five (45) days prior to the date of the annual meeting of members.

(c) The members shall by affirmative vote, as required by the provisions of Section 5.5 of these Bylaws, elect, at each annual meeting of members, the requisite number of directors from among the list of nominees.

(d) An Election Chair shall be appointed by the Board. The Election Chair shall be in charge of the annual election of directors and any special elections that may be called for. The Election Chair shall:

- (i) Check the eligibility of voters from the list of members in good standing;
- (ii) Provide a licked ballot box;
- (iii) Provide an official ballot;
- (iv) Have a balloting table open for 30 minutes before and at least 20 minutes after each session (except the last session) of the tournament during which the election is held;
- (v) Tabulate the results of the voting at the end of the voting period;
- (vi) Give to the President the report of the results of the election; and
- (vii) Maintain custody of the ballots for at least thirty days after the election.

(e) Every member in good standing shall be entitled to one vote for each director to be elected. Cumulative voting shall not be permitted. All ballots shall be secret. Candidates shall be entitled to have a witness present when the ballots are counted.

(f) The ballots may be inspected at any time within the thirty-day period upon request by any candidate for such election.

(g) No proxy votes shall be allowed.

(h) Absentee voting shall be allowed.

(i) A Unit member must sign the ballot and include his ACBL number for the ballot to be counted.

(j) Ties for last place shall be broken by lot prior to announcement of the names of nominees elected to the Board for the ensuing year or years.

Section 6.4 Number and Qualifications. The Board shall consist of nine (9) members. All directors must be, and must have been for at least 180 days prior to their election, members in good standing of the ACBL and the Unit. No member shall be eligible for election as a director who, at the time of the election (i) owns, or within the preceding 12 months owned, an interest in, (ii) acts, or within the preceding 12 months acted, as a manager of or (iii) received during the preceding 12 months compensation for services rendered of at least \$2,000 from, a bridge club located within the geographical boundaries of the Unit (provided that compensation for directing Unit games, Grand National Teams games, North American Pairs games and other Unit sponsored games held at clubs shall be excluded for this purpose).

Section 6.5 Term of Office. Three (3) directors shall be elected each year for terms of office of three (3) years, the terms to commence at the time the election results for that year are announced. All Board members shall hold office until their successors are elected and qualified or until their sooner death, resignation or removal. No director may serve more than two consecutive terms. Any term of more than one and one-half years shall be deemed to be a full term and any term of less than one and one-half years shall be disregarded for the purpose of determining eligibility for reelection.

Section 6.6 Regular and Special Meetings. The Board shall establish a schedule for regular meetings. Regular meetings of the Board shall be held not less frequently than once each three months. Special meetings of the Board may be called at any time by the President, the Board, or upon written request of three (3) or more directors.

Section 6.7 Notice. The date, time and place of regular meetings of the Board shall be set from time to time by the Board. Any such meetings which are set at least 25 days in advance by vote of the Board may be held without any additional notice being required. Notice, written or printed, of any other regular or special meetings stating the place, day and hour of the meeting shall be mailed no fewer than (3) three days nor more

than thirty (30) days prior to the date of the meeting. Notice may be provide only by electronic transmission (email) to those members of the Board who so consent.

Section 6.8 Waiver of Notice. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened. A waiver of notice signed by one or more directors, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice to such directors.

Section 6.9 Participation in meeting by Conference Telephone. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, as long as members participating in such meeting can hear one another. Participation by such means shall constitute presence in person at the meeting.

Section 6.10 Quorum. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 6.11 Manner of Acting. The act of a majority (except as otherwise provided in these by-Laws) of the members of the Board present at a meeting, at which a quorum is present, shall be the act of the Board.

Section 6.12 Vacancies. All vacancies in the Board whether caused by resignation, death or otherwise, may be filled by the affirmative vote of a majority of the remaining directors. A director elected to fill any vacancy shall hold office for the unexpired term of his predecessor and until a successor is elected and qualified.

Section 6.13 Removal. A Director may be removed for cause at any meeting of the Board provided two-thirds of the Board members present shall so vote. The Director subject to removal for cause shall be notified in writing of the grounds for such removal. Such notice shall be delivered by certified mail. The grounds for such removal must be submitted with the notice of said meeting and said director shall have a reasonable opportunity at said meeting to object to and argue his removal with representation by counsel of this choosing.

Section 6.14 Resignation. Any director may resign at any time by delivering written notice to the President or the Secretary, or by giving oral or written notice at any meeting of the Board. A director's resignation will take effect upon delivery of notice unless notice of resignation specifies a later effective date. Acceptance of director's resignation will not be necessary to make it effective.

Section 6.15 Voting by Proxy. Voting by proxy by directors is not permitted.

Section 6.16 Automatic Removal of Directors. Any member of the Board who shall be absent from three of the regularly scheduled meetings in any calendar year without prior notification to the President giving a valid reason shall automatically and immediately be removed as a director of the Unit and his/her seat shall be filled at once according to provisions in Article VI, Section 6.12 of these Bylaws.

Section 6.17 Right of Unit Members to Attend Board Meetings. Any member in good standing of the Unit may attend a Board meeting in a non-voting capacity upon written notice the President that is given at least two days in advance of the meeting to be attended. Such attendance by a non-board member shall be for observation only, and the non-Board member shall not participate in the discussions or deliberations of the Board. Non-Board members may be excluded from any portions of Board meetings that are conducted in executive session.

Section 6.18 Roberts Rules of Order. Where not in conflict with other provisions of these Bylaws, Roberts Rules of Order Revised shall be the parliamentary authority. A copy of Robert's Rules of Order Revised will be available at every meeting of the Board.

ARTICLE VII OFFICERS

Section 7.1 Designations. The officers of the Unit shall be a President, a Vice President, a Secretary and a Treasurer. All officers shall be elected for terms of one year by the Board at its first meeting following the annual election of directors.

Section 7.2 President. The President shall preside at all meetings of the Board, shall have general supervision of the affairs of the Unit and shall perform such other duties as are incident to the office or are properly required of the President by the Board. A Director may not serve as President for more than two consecutive years.

Section 7.3 Vice President. During the absence or disability of the President, the Vice President shall exercise all the functions of the President. The Vice President shall have such powers and discharge such duties as may be assigned to him from time to time by the Board.

Section 7.4 Secretary. Except to the extent such duties are delegated to the Executive Secretary pursuant to Article X of these Bylaws, the Secretary shall issue notices for all meetings, shall keep minutes of all meetings, shall have charge of the Unit books, and shall make such reports and perform such other duties as are incident to the office, or are properly required of the Secretary by the Board.

Section 7.5 Treasurer. Except to the extent such duties are delegated to the Executive Secretary pursuant to Article X of these Bylaws, the Treasurer shall have the custody of all monies and securities of the Unit and shall keep regular books of account. The Treasurer shall disburse the funds of the Unit in payment of the just demands against the Unit or as may be ordered by the Board and shall render to the Board, from time to time as may be required, an account of all transactions undertaken as Treasurer and of the financial condition of the Unit. The Treasurer shall perform such other duties as are incident to the office or are properly required by the Board.

Section 7.6 Delegation. If any officer of the Unit is absent or unable to act and no other person is authorized to act in such officer's place by the provisions of these Bylaws,

the Board may, from time to time, delegate the powers or duties of such officer to any other officer, director or other person it may select.

Section 7.7 Removal. Any officer may be removed from their office held for any reason upon the vote of a majority of the directors present at a properly held meeting of the Board.

Section 7.8 Vacancies. In case any office shall become vacant by reason of death, resignation, removal or otherwise, the directors then in office may appoint a successor or successors for the unexpired term.

Section 7.9 Compensation and Reimbursement of Officers. The officers of the Unit shall serve without compensation but may be authorized to receive reimbursement of expenditures made on behalf of the Unit.

Section 7.10 Resignation of Officers. Any officer may resign at any time by delivering written notice to the President, the Secretary or the Board or by giving oral or written notice at any meeting of the Board. Any officer's resignation will take effect upon delivery of notice unless the notice of resignation specifies a later effective date. Acceptance of an officer's resignation will not be necessary to make it effective.

ARTICLE VIII COMMITTEES

Section 8.1 Establishment. The President, with the approval of the Board, shall have the power to create and appoint the members of such standing and special committees as he or she may deem necessary or appropriate, designate the chairs thereof and assign functions thereto. The members of the committees need not be members of the Board. The Board shall have the authority to remove members of a committee or to terminate any committee.

Section 8.2 Executive Committee. The Board may designate, from among its members, an Executive Committee. This committee shall have powers as provided by resolution of the Board except as prohibited by law. Rules governing meetings of the executive committee shall be as established by the Board or, in the absence thereof, by the committee itself.

Section 8.3 Nominating Committee. Pursuant to Section 6.3, the President shall appoint a Nominating committee each year. The Nominating committee shall have the powers, and shall perform the duties, described in Section 6.3.

Section 8.4 Disciplinary Committee. The President shall appoint a Disciplinary Committee comprised of at least five members which shall have jurisdiction over all disciplinary matters within the Unit as provided for in, and which shall operate as provided for in, the ACBL Code of Disciplinary Regulations, as amended from time to time.

Section 8.5 Other Committees. Other committees shall be established at the discretion of the President. Each committee may adopt rules for its meetings which are not inconsistent with these Bylaws.

Section 8.6 Term of Office. Each member of a committee shall serve for one year (1) and until a successor is appointed, unless the committee is sooner dissolved.

ARTICLE IX AMENDMENT OF THE BYLAWS

These Bylaws may be amended, altered or repealed and new Bylaws may be adopted by a vote of a majority of the members present and voting at any meeting of the members of the Unit at which a quorum is present and not otherwise.

ARTICLE X EXECUTIVE SECRETARY

The Board may appoint a person to serve as Executive Secretary of the Unit. The Executive Secretary need not be a member of the Unit and shall not be an officer or director of the Unit at the time he or she is serving as Executive Secretary. The Executive Secretary shall perform such duties as shall be prescribed by the Board at the time of appointment, which may include, among others, duties which would otherwise be performed by the Secretary or the Treasurer of the Unit. The Executive secretary may be compensated for services provided as determined by the Board.

ARTICLE XI INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 11.1 Mandatory Indemnification: Directors or Officers Successful in Defense. The Unit shall indemnify any person or the estate of any deceased person (such person or estate of any deceased person being hereafter throughout this Article referred to as "Person") who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative, or investigative (hereafter throughout this Article collectively referred to as "Proceeding"), by reason of the fact that he or she is or was a director or officer of the Unit (hereafter throughout this Article collectively referred to as "Director") against expenses (including reasonable attorneys' fees) actually and reasonably incurred by him or her in connection therewith to the extent that he or she has been wholly successful on the merits or otherwise in defense of such Proceeding.

Section 11.2 Indemnification: Whether Successful or Not in Defense.

(a) The Unit shall indemnify any present or former director or officer of the Unit (or the estate of such a person) who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director or officer, and the Unit may indemnify any Person (other than a present or former director

or officer of the Unit (or the estate of such person)) who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director or employee or agent of the Unit, against expenses (including reasonable attorneys' fees) actually and reasonably incurred by him or her, and against judgments, penalties (including excise and similar taxes), fines, and amounts paid in settlement by him or her in connection therewith if he or she acted in good faith and in a manner he reasonably believed, in the case of conduct in his or her official capacity, as defined in Article 1396-2.22A.A.(4) of the Texas Non-Profit Corporation Act ("Official Capacity"), to be in the best interests of the Unit; or, in all other cases, to be not opposed to the best interests of the Unit; and, with respect to any criminal Proceedings, if he or she had no reasonable cause to believe his or her conduct was unlawful; provided, however, that if he or she is found liable to the Unit or is found liable on the basis that personal benefit was improperly received by him or her, the indemnification provided pursuant to this Section 2: (1) is limited to expenses actually and reasonably incurred by him or her in connection with the Proceeding; and (2) may not be made in respect of any Proceeding in which he or she has been found liable for willful or intentional misconduct in the performance of his or her duties to the Unit.

The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that the Person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Unit or, with respect to any criminal Proceeding, that he or she had reasonable cause to believe that his or her conduct was unlawful. A Person will be deemed to have been found liable in respect to any claim, issue or matter only after the Person has been so adjudged by a court of competent jurisdiction after exhaustion of all appeals.

(b) Notwithstanding any other provisions of this Article, the Unit must indemnify any Person as to whom indemnification is mandatory under Section 1 or 2(a) of this Article to the fullest extent permitted by law.

Section 11.3 Indemnification Procedure. Any indemnification under Section 2 of this Article (unless ordered by a court or made pursuant to a determination by a court) may be made by the Unit only as authorized in the specific case upon a determination that indemnification of the Person is proper under the circumstances because the Person has met the applicable standard of conduct set forth in Section 2 of this Article. Such determination will be made:

(a) by a majority vote of a quorum consisting of directors who at the time of the vote are not named defendants or respondents in the Proceeding;

(b) if such quorum cannot be obtained, by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the Proceeding; or

(c) by special legal counsel selected by the Board or a committee of the Board by vote as set forth in (a) or (b) immediately foregoing, or, if such a quorum

cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

Section 11.4 Authorization of Payment.

(a) Authorization of indemnification and determination as to reasonableness of expenses will be made in the same manner as the determination that indemnification is permissible, except that if special legal counsel makes the latter determination, authorization of indemnification and determination as to reasonableness of expenses must be made:

(i) by a majority vote of a quorum consisting of directors who at the time of the vote are not named defendants or respondents in the Proceedings; or

(ii) if such a quorum cannot be obtained, by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the Proceeding; or,

(iii) if such a committee cannot be established, by a majority vote of all directors.

(b) Notwithstanding subsection (a) of this Section 4, payment of expenses actually and reasonably incurred by any Person as to whom indemnification is mandatory under Section 1 or 2(a) of this Article will be deemed to be authorized provided that the standard of conduct necessary for indemnification under Section 2(a) of this Article is met.

Section 11.5 Advancement of Expenses.

(a) Expenses incurred in defending such Proceeding may be paid by the Unit in advance of the final disposition of the Proceeding, without any of the authorizations or determinations specified in Sections 3 and 4 of this Article, upon receipt of a written affirmation by the Person of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under applicable law and a written undertaking by or on behalf of the Person to repay such amount unless it ultimately is determined that he or she is entitled to be indemnified by the Unit as authorized in this section. The written undertaking must be an unlimited general obligation of the Person but need not be secured. It may be accepted without reference to financial ability to make repayment.

(b) Provided that the written affirmation and undertaking described in Section 5(a) are received by the Unit from a Person to be paid or reimbursed for expenses incurred and as to whom indemnification is mandatory under Sections 1 or 2(a) of this Article, such payment or reimbursement will be deemed to be authorized.

Section 11.6 Other Rights. The indemnification provided by these Bylaws may not be deemed exclusive of any other rights to which a Person seeking indemnification may be entitled under these Bylaws, a resolution of directors, an agreement or otherwise both as to action in his or her Official Capacity and as to action in any other capacity, and will continue as to such Person after the termination of such capacity and will inure to the benefit of his or her heirs, executors and administrators; provided, however, that any provision for the Unit to indemnify or to advance expenses to a director, whether contained in these Bylaws, a resolution of directors, an agreement or otherwise, except in accordance with Section 7 of this Article, is valid only to the extent it would be consistent with Article 1396-2.22A of the Texas Non-Profit Corporation Act if the Unit were governed thereby.

Section 11.7 Insurance. The Unit may purchase and maintain insurance on behalf of any Person by reason of the fact that he or she is or was serving at the request of the Unit as a director or employee or agent of the Unit against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as a Person.

Section 11.8 Other Arrangements. In addition to the powers described in Section 7 of this Article, the Unit may purchase, maintain or enter into other arrangements on behalf of any Person who is or was a director or officer of the Unit against any liability asserted against him or her and incurred by him or her in such capacity or arising out of his or her status as such a Person. If the other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the arrangement may provide for payment of a liability (with respect to which the Unit would not have the power to indemnify the Person). Without limiting the power of the Unit to procure or maintain any kind of arrangement, the Unit may, for the benefit of Persons described in this Section 8, (1) create a trust fund; (2) establish any form of self-insurance; (3) secure its indemnity obligation by grant of a security interest or other lien on the assets of the Unit; or (4) establish a letter of credit, guarantee, or surety arrangement.

Section 11.9 Other Provisions Applicable to Insurance and Other Arrangements. The insurance may be procured, maintained, or established with an insurer, or the other arrangement may be procured, maintained, or established within the Unit or with any insurer or other person considered appropriate by the Board, regardless of whether all or part of the stock or other securities of the insurer or other persons are owned in whole or part by the Unit. In the absence of fraud, the judgment of the Board as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement will be conclusive and the insurance or other arrangement will not be voidable and will not subject the directors approving the insurance or other arrangement to liability, on any grounds, regardless of whether directors participating in the approval are beneficiaries of the insurance or other arrangement.

Section 11.10 Severability. In the event that any part or portion of this Article is judicially determined to be invalid or unenforceable, such determination will not in any way affect the remaining portions of this Article, but the same will be divisible and the remainder will continue in full force and effect. Notwithstanding any provision of this Article to the contrary, the Unit shall not indemnify any person described in this Article if such

indemnification (1) would jeopardize the Unit's tax-exempt status under Section 501(c)(4) of the Code, (2) would cause the imposition of the federal excise tax under Section 4958 of the Code, or (3) if the Unit is determined to be a private foundation for federal income tax purposes, would cause the imposition of the federal excise tax for self-dealing under Section 4941 of the Code or for making a taxable expenditure under Section 4945 of the Code.

Section 11.11 Appearance as a Witness or Otherwise. Notwithstanding any other provision of this Article, the Unit may pay or reimburse expenses incurred by a director, officer, or other person in connection with his or her appearance as a witness or other participation in a Proceeding at a time when he or she is not a named defendant or respondent in the Proceeding.

ARTICLE XII MISCELLANEOUS

Section 12.1 Inoperative Portion. If any portion of these Bylaws shall be invalid or inoperative, then to the extent reasonable and possible, the remainder shall be valid and operative, and effect shall be given to the intent that portion held invalid or inoperative manifests.

Section 12.2 Interpretation. Whenever the context indicates, the masculine gender shall encompass the feminine and neuter, and the singular shall encompass the plural or vice versa. The headings are solely for organization, convenience and clarity. They do not define, limit or describe the scope of these Bylaws or the intent in any of the provisions.

Section 12.3 Books and Records. The Unit shall keep correct and complete books and records of account and shall keep minutes all proceedings of its Board and membership meetings.

Section 12.4 Annual Report. Within sixty (60) days after the end of the each fiscal year, a statement shall be prepared reflecting the receipts and disbursements of the Unit during the preceding fiscal year and the financial condition of the Unit at the end of such fiscal year. Copies of the annual financial report shall be made generally available to members of the Unit.

Section 12.5 Fiscal Year. The fiscal year for the Unit shall run from January 1 to December 31.

Section 12.6 Loans. The Unit will not make loans to any director or officer. Any director or officer who assents to or participates in making of any such loan shall be liable to the Unit for the amount of such loan until the repayment thereof.

ARTICLE XIII DISSOLUTION AND NONPROFIT STATUS

The Unit is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits or dividends to its members. It is organized solely for nonprofit purposes. On the dissolution or winding up of the

Unit, assets remaining after payment of, or provision for the payment of, all debts and liabilities of the Unit shall be distributed according to the regulations and policies of the ACBL. If the Unit holds any assets in trust, they shall be disposed of in such a manner as may be directed by judgment of a court of appropriate jurisdiction.

[The remainder of this page left intentionally blank]

CERTIFICATION OF THE SECRETARY

The undersigned hereby certifies (i) I am the Secretary of the Unit (ii) the above Bylaws are a true, correct and complete copy of bylaws adopted at a duly held meeting of the membership on the ___ day of January, 2009, and (iii) the Bylaws are in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto executed this certificate in my official capacity on this ____day of _____, 2009.

Tomi FitzGerald, Secretary