

The Council of Insurance Agents & Brokers Inc.
BY-LAWS

ARTICLE I
NAME

Section 1. The name of this Association shall be The Council of Insurance Agents & Brokers Inc.

Section 2. The principal office of the Association shall be at such location as determined by the Board of Directors. The Directors may establish such other offices as the needs of the Association may require.

ARTICLE II
PURPOSES

The Association is a voluntary, non-profit organization formed for the following purposes:

1. To embrace the highest standards of ethics for members of the insurance industry;
2. To provide quality service for member firms and clients;
3. To promote a positive image for the insurance industry;
4. To strengthen the competitive edge of member firms;
5. To expand global opportunities for member firms;
6. To strengthen company and intermediary relationships;
7. To proactively represent member and client interests;
8. To support the recruitment, assimilation and development of professionals in the insurance industry; and
9. To provide a cooperative forum to address industry issues.

ARTICLE III
MEMBERSHIP

Section 1. Active [Member Firms](#) – Any firm of good reputation engaged in the distribution of insurance products shall be eligible to become an active Member Firm of the Association if it:

- (a) submits an application for membership on a form designated by the Association;
- (b) is principally engaged in the distribution of insurance products;

- (c) deals principally with the general public on a direct basis;
- (d) subscribes to the objectives of the Association and agrees to abide by its obligations; and
- (e) at the time of application for membership satisfies any other criteria for membership established by the Board of Directors, including minimum revenue requirements.

After a firm becomes an active Member Firm of the Association, it shall be permitted to remain a Member Firm in good standing in future years even if its gross revenues fall below the requisite thresholds for initial membership established by the Board of Directors pursuant to subsection (e).

Section 2. Other – The Directors, may by a majority vote, establish such classes of membership and fix dues therefore as, in their judgment, is in the best interests of the Association.

Section 3. Voting – Each active Member Firm shall appoint and certify to the Secretary of the Association a person to be its representative in the Association and who shall represent, vote, and act for the Member Firm in all the affairs of the Association.

Section 4. Election of members – Any firm eligible for membership under these By-Laws may be elected to membership upon making written application to the Executive Committee or its designees and acceptance of said application by a majority of the Executive Committee or its designees.

Section 5. Individual Associate Members – Any individual employed by a Member Firm shall be eligible to be an Individual Associate Member of the Association if he or she submits a request to be an Individual Associate Member in a form specified by the Association and if that individual satisfies any other requirements to be an Individual Associate Member established by the Association. An individual employed by a Member Firm must be enrolled as an Individual Associate Member to be permitted to attend any official meeting of or sponsored by the Association. [The Member Firms and Individual Associate Members are sometimes referred to herein individually as a “Member” and collectively as the “Members.”](#)

Section 6. Duration of membership and resignation – Membership in the Association may terminate by voluntary withdrawal as herein provided, or otherwise in pursuance of these By-Laws. All rights, privileges, and interest of a Member ~~Firm~~ in or to the Association shall cease upon termination of membership. [The resignation of a Member shall not relieve the Member from any obligations incurred or commitments made prior to resignation.](#) Any Member ~~Firm~~ may, by giving written notice of such intention, withdraw from membership. Such notice shall be presented to the Board of Directors at the next succeeding meeting of the Board of Directors. Withdrawals shall be effective upon fulfillment of all obligations to the date of

withdrawal. Any Member who voluntarily withdraws in accordance with this Section 6 shall not be eligible to reapply for membership until three years after the effective date of such Member's withdrawal.

Section 7. Suspension and Expulsion – For cause any membership may be suspended or terminated. Sufficient cause for such suspension or termination of membership shall be non-payment of annual membership dues, violation of the bylaws or any lawful rule or practice duly adopted by the Association, or any other conduct prejudicial to the interests of the Association. Suspension or expulsion shall be by two-thirds vote of the entire membership of the Board of Directors. ~~Provided that a statement of the charges shall have been mailed by registered post to the last recorded address of the Member-Firm at least fifteen (15) days before final action is taken thereon.~~ This statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors at which the charges shall be considered and the Member-Firm shall have the opportunity to appear in person or by his or her representative and present any defense to such charges before action is taken thereon. The termination or suspension of a Member shall not relieve the member from any obligations incurred or commitments made prior to the termination or suspension.

ARTICLE IV MEMBERSHIP DUES

Section 1. The annual dues for each Member Firm and Individual Associate Member of the Association shall be determined by the Board of Directors.

Section 2. Members who fail to pay their dues within one hundred and eighty (180) days from the time the same become due shall be reported to the Board of Directors as in arrears, and, if so ordered by a majority vote of the directors present and voting thereon, shall, without further notice and without hearing, be dropped from the rolls and thereupon forfeit all rights and privileges of membership.

ARTICLE V MEETINGS

Section 1. Annual – There shall be an annual meeting of the Association ~~during the month of October, unless otherwise ordered by the Board of Directors~~ at such time and place as is determined by the Board of Directors by resolution, for election of Association officers and members of the Board of Directors, for receiving the annual reports, and the transaction of other business. Notice of such meeting ~~signed by the President~~, shall be transmitted to each ~~Member~~ Member by mail, facsimile, electronic mail, or any similar means, at least thirty (30) days and no more than sixty (60) days, before the time appointed for the meeting.

Section 2. Special – Special meetings of the Association may be called by the Chairman. Notice of any special meeting shall be transmitted to each ~~m~~Member ~~by the President~~ by mail, facsimile, electronic mail, or any similar means, at least ten (10) days, and no more than sixty (60) days, in advance, with a statement of time and place and information as to the subject or subjects to be considered, provided, however, that such statement of the subject or subjects to be considered shall not limit the actions the Board of Directors may take at such meeting.

Section 3. Quorum – The ~~M~~members present at any meeting of the Association shall constitute a quorum and a majority vote of those present shall decide any question presented. However, a minimum of thirty (30) ~~M~~members is required to take action on behalf of the Association.

~~Section 4. — The order of business at meetings shall be as follows:~~

- ~~1. — Call to order~~
- ~~2. — Reading of minutes of previous meeting~~
- ~~3. — Receiving communications~~
- ~~4. — Reports of officers~~
- ~~5. — Reports of committees~~
 - ~~a. — Standing~~
 - ~~b. — Special~~
- ~~6. — Unfinished business~~
- ~~7. — New business~~
- ~~8. — Election of officers and directors~~
- ~~9. — Adjournment~~

~~Section 5. — The order of business may be altered or suspended at any meeting by a majority vote of the members present. The usual parliamentary rules as set forth in “Robert’s Rules of Order” shall govern all deliberations, when not in conflict with these By Laws.~~

ARTICLE VI ANNUAL ELECTION

Section 1. There shall be between three (3) and thirty-six (36) ~~elected d~~Directors of the Association with approximately one-third of the ~~elected~~ Directors’ terms expiring each year. The Board of Directors shall fix the number of elected Directors within such range by resolution. No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. At each annual meeting a number of ~~D~~irectors equal to that of those whose terms have expired or are about to expire and needed to fill vacancies shall be elected ~~for a term of three years~~. One (1) ~~d~~Director of the Association shall be directly elected by the Individual Associate Members. All other elected Directors of the Association shall be directly elected by the Member Firms. The term of office for an elected Director shall begin at the start of the next calendar year and shall continue for three (3) years, or until such elected Director’s

~~successor shall be duly elected and qualified. Directors shall upon election or re-election immediately enter upon the performance of their duties and shall continue in office until their successors shall be duly elected and qualified.~~

Section 2. Only one representative from any one ~~Member~~ ~~Firm~~ may serve on the Board of Directors of the Association at any given time; provided, however, that representatives of a Member Firm who serve on the Board of Directors *ex-officio* shall be disregarded for this purpose.

ARTICLE VII BOARD OF DIRECTORS

Section 1. The Board of Directors shall have supervision, control and direction of the affairs of the Association, shall determine its policies or changes therein within the limits of these bylaws, shall actively prosecute its objectives, and shall have discretion in the disbursement of its funds. It may adopt such rules and regulations for the conduct of its business as shall be deemed advisable, and may, in the execution of the powers granted, appoint such agents as it may consider necessary.

Section 2. The ~~o~~Officers of the Association and members of the Advisory Committee of the Association shall be members *ex-officio* of the Board, with right to vote.

Section 3. Meetings – Except that the Board of Directors shall have a regular meeting at the time and place of the annual meeting, the Board shall meet upon call of the Executive Committee at such times and places as they may designate, ~~and~~ or shall be called to meet upon request of a majority of its members. Notice of all meetings of the Board of Directors shall be sent by mail, facsimile, electronic mail, or any similar means, to each member of the Board at least ten (10) days in advance of such meetings. The Board may permit any or all Directors to participate in a regular or special meeting by, or conduct the meeting through the 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 shall be considered to be present in person at the meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if each Director signs a consent in the form of a record describing the action to be taken and delivers it to the Association. ~~conduct a meeting by telephone conference or any similar means of communication. In the case of action by mail, telephone, or facsimile, or any similar means, a two-thirds vote of the Board shall be required for action and the action taken shall be submitted at the next Board meeting for ratification.~~

Section 4. Quorum – A majority of the Board shall constitute a quorum at any meeting of the Board. Any lesser number may adjourn from time to time until a quorum is present.

Section 5. Absence —~~Any member of the Board of Directors unable to attend a meeting shall, in a letter addressed to the Chairman or Secretary, state the reason for his or her absence.~~ If a Director is absent from two (2) consecutive meetings for reasons which the Board ~~has failed to declare~~ to be insufficient, ~~his or her resignation shall be deemed to have been tendered and accepted~~ the Board of Directors may remove such Director from the Board by majority vote.

Section 6. Vacancies – Any vacancies that may occur on the Board by reason of death, resignation or other may be filled by ~~the a majority of the Directors remaining in office Executive Committee~~ for the unexpired term.

Section 7. Reelection – No member of the Board of Directors who has served as a Director for two (2) consecutive three-year terms or longer shall be eligible for reelection to the Board of Directors prior to the expiration of one year from the Annual Meeting date at which his or her term as a Director expired.

Section 8. Eligibility – Only those individuals whose firms are active ~~M~~member Firms of the Association, and whose firms meet all of the current criteria for membership set forth in or established pursuant to Article III, Section 1 ~~including minimum revenue requirements~~ during the year of the individual’s election or re-election, shall be eligible to serve as Directors.

ARTICLE VIII OFFICERS

Section 1. Officers and Elections. The elected officers of the Association shall be a Chairman, Vice Chairman, Secretary and Treasurer. These officers shall be elected annually by the ~~m~~Members~~hip~~ of the Association at a regular meeting of the ~~m~~Members~~hip~~ held during the annual meeting. Election shall be by a majority of the votes cast.

Section 2. Each elective officer shall take office immediately following the close of the Annual Meeting at which he or she was elected and shall serve for a term of one year or until his or her successor is duly elected and installed.

Section 3. Vacancies in any office may be filled for the unexpired term thereof by the Directors at any regular or special meeting.

Section 4. Chairman – The Chairman of the Association, ~~and~~ shall be the presiding officer at all meetings of the Association and the Board of Directors and of the Executive Committee and shall be a member ex-officio, with right to vote, of all Committees except the Nominating Committee. The Chairman shall also, at the annual meeting of the Association and at such other times as he or she shall deem proper, communicate to the Association or to the Board of Directors such matters and make such suggestions as may in his or her opinion tend to

promote the welfare and increase the usefulness of the Association, and shall perform such other duties as are necessarily incident to the office of Chairman or as may be prescribed by the Board of Directors.

Section 5. Vice Chairman – The Vice Chairman may be delegated by the Chairman (or the Board) to perform ~~his or her~~the Chairman's duties, in the event of his or her temporary disability or absence from meetings.

Section 6. Treasurer – The Treasurer shall keep an account of all monies received and expended for the use of the Association, and shall make disbursements authorized by the Board and approved by the Secretary and such other officers as the Board may prescribe. All sums received shall be deposited in banks, trust companies, or other depositories approved by the Board of Directors, and the Treasurer shall make a report at the annual meeting or when called upon by the Chairman. The duties of the Treasurer, under authority of the Board of Directors, may be assigned in whole or in part to the President/CEO or to an assistant treasurer. The funds, books, and records shall, with the exception of confidential reports submitted by ~~m~~Members, at all times be subject to verification and inspection by the Board of Directors. At the expiration of his or her term of his or her office, the Treasurers shall deliver over to his or her successor all books, monies and other records or property, or, in the absence of a Treasurer-elect, to the Chairman.

Section 7. Secretary – There shall be a Secretary who shall be elected by the Association membership for a term of one year.

Section 8. President/CEO – The administration and management of the Association shall be in the charge of a salaried chief executive officer appointed by the Chairman and approved by the Board. He or she shall have the title of President/CEO or such other title as the Board shall from time to time deem desirable, and he or she may act as Secretary of the Association. Subject to direction of the Chairman and the Board, the President/CEO shall employ and may terminate the employment of members of the staff necessary to carry on the work of the Association. The President/CEO shall manage and direct all functions and activities of the Association and perform such other duties as may be directed by the Board, including the receipt and disbursement of funds.

~~Section 9. — Bonding — The President and any other persons entrusted with the handling of funds or property of the Association, shall, at the discretion of the Board of Directors, furnish, at the expense of the Association a fidelity bond approved by the Board, in such an amount as the Board shall prescribe.~~

**ARTICLE IX
COMMITTEES**

Section 1. Committees; Authority

(a) The Board of Directors, by resolution adopted by a majority of the Directors in office, may create one or more Committees of the Board that consist of one or more Directors. The Chairman of the Association shall have authority to nominate Directors to these Committees of the Board or to delegate that nomination authority, and the Board of Directors shall approve the appointment of Directors to Committees of the Board. Committees of the Board, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors of the Association except under no circumstances will they be able to authorize distributions, approve or propose to the Members action that is required to be approved by the Members, fill vacancies on the Board of Directors or on any Committee of the Board, or adopt, amend, or repeal bylaws.

~~In General. The Chairman, subject to the approval of the Board of Directors, shall annually appoint such standing, special or subcommittees as may be required by the bylaws or as he or she may deem necessary provided that the appointed committees shall include a committee that possesses audit authority over the activities of the Association. The Director directly elected by the Individual Associate Members shall be appointed to serve on the committee most directly involved in the planning of Association meetings.~~

(b) ~~Committee Chairs. The Chairman, in consultation with the Vice Chairman, also shall nominate, and the Board of Directors shall approve have the authority to the appointment of the Chairs of any Committee of the Board established or maintained in accordance with subsection (a). Chairs of any standing Committees of the Board established or maintained in accordance with subsection (a) shall be drawn from the Board of Directors of the Association. The Chairman of the Association also shall have authority, with the consent of the Board of Directors, to appoint members to these committees or to delegate that appointment authority.~~

(c) The Board of Directors, by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present, may create one or more advisory committees whose members need not be Directors. Advisory committees are not Committees of the Board, and do not exercise any powers of the Board.

(d) The designation and appointment of any advisory committees or Committees of the Board 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, him, or her by law.

Section 2. Executive Committee – The Executive Committee shall be a Committee of the Board of the Association, and shall consist of the:

- (1) Chairman;
- (2) Vice Chairman;

- (3) Treasurer;
- (4) Secretary; and
- (5) Each of the Committee Chairs of any standing ~~e~~Committees ~~to the extent that such committees have been created~~ of the Board.

In addition, members of the Advisory Committee shall be *ex officio*, voting members of the Executive Committee. ~~Said The Executive~~ Committee may exercise the powers of the Board of Directors when the Board of Directors is not in session, reporting to the Board of Directors thereon at the succeeding Board meeting, ~~except under no circumstances will they be able to authorize distributions, approve or propose to the Members action that is required to be approved by the Members, fill vacancies on the Board of Directors or on any Committee of the Board, or adopt, amend, or repeal bylaws.~~ A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business. Meetings may be called by the Chairman of the Association or by any five members of the Executive Committee. ~~Meetings and actions of the Executive Committee shall otherwise be governed by and held and taken in accordance with the provisions of Article VII of these bylaws concerning meetings and actions of the Board of Directors, with such changes in the content of those provisions as are necessary to substitute the Executive Committee and its members for the Board of Directors and its members.~~ ~~In the event of vote by mail, telephone, facsimile, or any similar means, concurrence of two thirds of the Executive Committee shall be required. Vacancies on the Executive Committee shall be filled by the Chairman for the remainder of the Committee member's term.~~

Section 3. Nominating Committee – During or before the month of May in each year, the Chairman shall appoint a nominating committee ~~as an advisory committee~~ to nominate candidates for officers and for the Board of Directors consisting of the following individuals:

- (1) The Immediate Past Chairman of the Association; and
- (2) Each of the ~~m~~Mmembers of the Executive Committee.

Section 4. Independent nominations – Nominations for ~~o~~Officers and Directors may also be made, endorsed with the names of not less than twenty ~~M~~Mmembers of the Association, if received by the Secretary at least thirty (30) days prior to the annual meeting of the Association for immediate transmittal by him to the ~~m~~Mmembers.

Section 5. Compensation Committee – The Compensation Committee shall be a Committee of the Board. The members of the Compensation Committee shall include the two immediate Past Chairmen of the Association, the Chairman, the Vice Chairman, the Treasurer, and may also include an additional Past Chairman nominated by the Chairman and approved by the Board. The Secretary may participate as an observer at meetings of the Compensation Committee. The Compensation Committee shall have the power to set the salary, bonus, and other compensation of the President/CEO. The Compensation Committee also may review compensation arrangements for other officers and employees of the Association put forward by the President/CEO on an as-needed basis.

Section 6. Advisory Committee – The Advisory Committee shall consist of all past chairmen of the Association, provided that the firm with which the past chairman is currently associated, ~~or, in the event of his or her retirement, the firm which he or she was last associated,~~ is a Member Firm of the Association. Members of this Committee shall be ex-officio voting members of the Board of Directors and the Executive Committee, and shall be entrusted with the privileges and duties appertaining to the office of Director and Executive Committee member.

Section 67. The Council of Insurance Company Executives Committee – Membership in and operation of the Council of Insurance Company Executives Committee shall be governed by the Operating Rules of the Committee, as approved by the officers of The Council of Insurance Agents & Brokers. Amendments to the Operating Rules shall be governed by the terms of the rules.

ARTICLE X
MAIL-VOTE BY BALLOT

Section 1. Any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a ballot to every Member entitled to vote on the matter.

Section 2. A ballot shall:

(a) Be in the form of a record;

(b) Set forth each proposed action;

(c) Provide an opportunity to vote for, or withhold a vote for, each candidate for election as a Director; and

(d) Provide an opportunity to vote for or against each other proposed action.

Section 3. Approval by ballot pursuant to this Article of any action other than election of Directors shall be valid only when the number of votes cast by ballot equals or exceeds the 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 number of votes cast by ballot.

Section 4. All solicitations for votes by ballot shall:

(a) Indicate the number of responses needed to meet the quorum requirements;

(b) State the percentage of approvals necessary to approve each matter other than election of Directors; and

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(c) Specify the time by which a ballot must be received by the Association in order to be counted.

~~Whenever, in the judgment of the Board of Directors, any question shall arise which it considers should be put to a vote of the active membership and when it deems it inexpedient to call a special meeting for such purpose, the Directors may, unless otherwise required by these By Laws, submit such a matter to the membership in writing by mail, facsimile, electronic mail, or any similar means, for vote and decision, and the question thus presented shall be determined according to a majority of the votes received within three weeks after such submission to the membership, provided that in each case votes of at least ten percent of members shall be received. Any and all action taken in pursuance of a majority vote pursuant to this section in each such case shall be binding upon the Association in the same manner as would be action taken at a duly called meeting.~~

ARTICLE XI FISCAL YEAR

Section 1. The Association fiscal year shall commence on January 1st and shall end on December 31st of each year.

~~ARTICLE XII SEAL~~

~~Section 1. The Association shall have a seal of such design as the Board of Directors may adopt.~~

ARTICLE XIII AMENDMENTS

Section 1. These By-Laws may be amended, repealed, or altered, in whole or in part, by a majority vote at any duly called meeting of the ~~membership~~Member Firms; provided that a copy of any amendment proposed for consideration shall be transmitted to each ~~Member~~Member Firm by mail, facsimile, electronic mail, or any similar means, at least thirty (30) days prior to the date of the meeting. Voting under this provision may proceed in accordance with Article X.

~~ARTICLE XIV LIABILITIES~~

Section 1. Limitations on Liabilities – Nothing herein shall constitute ~~M~~members of the Association as partners for any purpose. No ~~M~~member, officer, agent or employee of this

Association shall be liable for the acts or failure to act on the part of any other member, officer, agent or employee of the Association. Nor shall any ~~M~~Member, officer, agent or employee be liable for his or her acts or failure to act under these By-Laws, except only acts or omissions to act arising out of his or her willful misfeasance.

Section 2. Dissolution – The Association shall use its funds only to accomplish the objectives and purposes specified in these By-Laws, and no part of said funds shall inure, or be distributed, to the ~~M~~members of the Association. On dissolution of the Association, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific, or philanthropic organizations to be selected by the Board of Directors.

ARTICLE XIV INDEMNIFICATION

Section 1. Indemnification of Directors.

(a) To the fullest extent permitted by law, the Association shall indemnify any individual who is a party to a threatened, pending or completed proceeding (a “proceeding”) because he or she is or was a “Director” of the Association (as such term is defined in Section 29-406.50 of the District of Columbia Nonprofit Corporation Act of 2010 (the “Act”)) against liability incurred in the proceeding if (i) the individual (A) acted in good faith, (B) reasonably believed (1) in the case of conduct in an official capacity, that the conduct was in the best interests of the Association and (2) in all other cases, that the individual’s conduct was at least not opposed to the best interests of the Association, and (C) in the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful; or (ii) the individual engaged in conduct for which broader indemnification has been made permissible or obligatory under Article SEVENTH of the Articles of Incorporation of the Association. The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, determinative that the Director did not meet the relevant standard of conduct described in this Section XIV.1(a).

(b) Unless ordered by a court under § 29-406.54(a)(3) of the Act, the Association shall not indemnify an individual who is or was a Director of the Association or who, while a Director or officer of the Association, is or was serving at the Association’s request as a Director, officer, partner, trustee, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan or other entity, (i) in connection with a proceeding by or in the right of the Association, except for reasonable expenses incurred in connection with the proceeding if it is determined that the Director has met the relevant standard of conduct under Section XIV.1(a), or (ii) in connection with any proceeding with respect to conduct for which the Director was adjudged liable on the basis that the Director received a financial benefit to which the Director was not entitled, whether or not involving action in an official capacity.

Section 2 Mandatory Indemnification. The Association shall indemnify a Director

or “officer” of the Association (as defined in Section 29-406.50 of the Act) to the extent the Director or officer was successful, on the merits or otherwise, in the defense of any proceeding to which the Director or officer was a party because the Director or officer was a Director or officer of the Association against reasonable expenses incurred by the Director or officer in connection with the proceeding.

Section 3 Advance for Expenses.

(a) The Association may, before final disposition of a proceeding, advance funds to pay for or reimburse the reasonable expenses incurred by an individual who is a party to a proceeding because he or she is or was a Director if the individual delivers to the Association (i) an affirmation of his or her good faith belief that he or she has met the relevant standard of conduct described in Section XIV.1(a) or that the proceeding involves conduct for which liability has been eliminated by § 29-406.31(d) of the Act or under a provision of the Articles of Incorporation of the Association and (ii) an undertaking to repay any funds advanced if the individual is not entitled to mandatory indemnification under Section XIV.2 and it is ultimately determined by the Superior Court of the District of Columbia pursuant to Section 29-406.54 of the Act or pursuant to Section XIV.4 hereof that the individual has not met the relevant standard of conduct described in Section XIV.1(a).

(b) The undertaking required by Section XIV.3(a)(ii) shall be an unlimited general obligation of the Director, but need not be secured and may be accepted without reference to the financial ability of the Director to make repayment.

Section 4 Determination of Indemnification.

(a) The Association shall not indemnify a Director under Section XIV.1 unless a determination has been made that indemnification of the Director is permissible because the Director has met the relevant standard of conduct set forth in Section XIV.1.

(b) The determination shall be made (i) if there are two or more disinterested Directors, by a majority vote of all the disinterested Directors, a majority of whom will constitute a quorum for that purpose, or by a majority of the members of a committee of two or more disinterested Directors appointed by such a vote, (ii) by special legal counsel (A) selected in the manner prescribed in clause (i) above, or (B) if there are fewer than two disinterested Directors, selected by the Board of Directors, in which selection Directors who do not qualify as disinterested Directors may participate.

Section 5 Indemnification of Officers.

(a) To the fullest extent permitted by law, the Association may indemnify and advance expenses under this Article XIV to an officer of the Association who is a party to a proceeding because he or she is or was an officer of the Association (i) to the same extent as a Director and (ii) if he or she is an officer but not a Director, to such further extent as may be provided by the

Articles of Incorporation of the Association, these Bylaws, a resolution of the Board of Directors, or contract, except for (A) liability in connection with a proceeding by or in the right of the Association other than for reasonable expenses incurred in connection with the proceeding or (B) liability arising out of conduct that constitutes (1) receipt by the officer of a financial benefit to which the officer is not entitled, (2) an intentional infliction of harm on the Association or the Members, or (3) an intentional violation of criminal law.

(b) Section XIV.5(a)(ii) shall apply to an officer who is also a Director if the basis on which he or she is made a party to the proceeding is an act or omission solely as an officer.

(c) An officer of the Association who is not a Director shall be entitled to mandatory indemnification under Section XIV.2, and may apply to a court under § 29-406.54 of the Act, for indemnification or an advance for expenses, in each case to the same extent to which a Director may be entitled to indemnification or advance for expenses under those provisions.

Section 6 Indemnification of Employees, Agents and Volunteers. The Association may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and to the advancement of expenses, to any employee, agent or volunteer of the Association.

Section 7 Insurance. The Association may purchase insurance on behalf of a Director, officer, employee, agent or volunteer of the Association, or an individual who, while a Director or officer of the Association, is or was serving at the Association's request as a Director, officer, partner, trustee, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan or other entity, against liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a Director, officer, employee, agent or volunteer, whether or not the Association would have power to indemnify or advance expenses to the individual against the same liability under this Article XIV.

Section 8 Applicability. The provisions of this Article XIV shall be applicable to proceedings made or commenced after the adoption hereof, whether arising from acts or omissions to act occurring before or after adoption hereof.

Section 9 Non-Exclusivity of Rights. The indemnification provided by this Article XIV shall not be deemed exclusive of any other rights to which such Director, officer, or employee may be entitled under any statute, Bylaw, agreement, vote of the Board of Directors, or otherwise and shall not restrict the power of the Association to make any indemnification permitted by law.

Section 10 Severability. If any part of this Article XIV shall be found in any action, suit, or proceeding to be invalid or ineffective, the validity and the effectiveness of the remaining parts shall not be affected. ~~The Association shall indemnify any and all of its directors or officers or former directors or officers or any person who may have served at its request or by its election~~

~~as a director or officer of another corporation against expenses actually and necessarily incurred by them in connection with the defense or settlement of any action, suit or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been directors or a director or officer of the Association, or of such other corporation, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in such action, suit or proceeding to be liable for willful misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability.~~
