

BYLAWS
OF
ASSOCIATION FOR COMMUNITY DESIGN, INC.

Article I. NAME, MISSION AND OBJECTIVE

*Section 1.01 **Name:** The name of the corporation shall be Association for Community Design, Inc., a nonstock corporation under the provisions of Chapter 10 of Title 13.1 of the Code of Virginia of 1950, as amended.*

*Section 1.02 **Mission:** The mission of the Association for Community Design, Inc. (the Association) is three-fold: to serve practitioners, educators, individuals and organizations engaged in community-based design and planning by serving as the primary clearinghouse for information exchange; to advance research, education and best practices in community design; and to provide a national voice to promote education in the values of community design.*

*Section 1.03 **Organizational Objective:** The objective is to increase equity and justice for those with a limited voice in public life; promote social equality through discourse that reflects a range of values and social identities; engage communities and stakeholders in participatory decision-making; advance the right of every person to live in a socially, economically and environmentally health community; create strategies that integrate design of the built environment with other approaches; generate ideas that are place-based solutions and which build local capacity; and promote the highest standards of quality in the design and construction of the built environment.*

*Section 1.04 **Additional Objectives:** The Association's objections shall also include the following:*

- (a) To accept, acquire, and receive, for any of its objects and purposes, any property of whatever kind, nature, or description and wherever situated, and subject to the restrictions and limitations hereinafter set forth, to hold, use, and apply the whole or any part of the income therefrom and the principal thereof, either directly or by contributions to organizations that are described in Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any successor provision of law (the "Code"), exclusively for the purposes set forth in Section 170(c)(2)(B) of the Code.*
- (b) To do all and every such thing as may be necessary, suitable, convenient, usual, or proper for the accomplishment of the purposes herein expressed, or incidental thereto, and in general to exercise and enjoy all other powers, rights, and privileges now or hereafter granted by law to nonstock corporations of the character subject to the limitations herein set forth in these bylaws (these "Bylaws").*
- (c) Notwithstanding any other provision of the Association's articles of incorporation (the "Articles of Incorporation") or these Bylaws, the Association shall not carry on any activity not permitted to be carried on (a) by a corporation exempt from*

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federal income tax under Section 501(c)(3) of the Code or (b) by a corporation's contributions to which are deductible under Section 170(c)(2) of the Code. No part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

- (d) *No part of the net earnings of the Association shall inure to the benefit of, or be distributable to, any director or officer of the Association or any other person who is a "private shareholder or individual" within the meaning of Section 501(c)(3) of the Code, except that reasonable compensation may be paid for services rendered to or for the Association affecting one or more of its purposes; and no director, officer, or any private individual shall be entitled to share in the distribution of any of the corporate assets on the dissolution of the Association. Upon dissolution of the Association, all funds, property, and other assets of the Association not necessary to discharge its legal debts and obligations shall be distributed exclusively for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code.*

Article II. CORPORATE RECORDS

*Section 2.01 **Minutes and Accounting Records:** The Association shall keep a permanent record of the minutes of all meetings of its board of directors, a record of all actions taken by the board of directors of the Association (the "Board") without a meeting, and a record of all actions taken by a committee of the board of directors acting in place of the board and on behalf of the Association. The Association shall maintain appropriate accounting records.*

*Section 2.02 **Form of Records:** The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.*

*Section 2.03 **Other Records:** The Board shall keep digital copies of the following records at a location from which the records may be recovered by any board member, and the president of the association shall maintain a digital backup:*

- (a) Its articles or restated articles of incorporation and all amendments to them currently in effect;*
- (b) these Bylaws or restated bylaws and all amendments to them currently in effect;*
- (c) Resolutions adopted by the Board;*
- (d) The financial statements furnished for the past three (3) years to the Board;*
- (e) A list of the names and email addresses of its current directors and officers;*
and
- (f) Its most recent annual report delivered to the State Corporation Commission.*

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Article III. MEMBERSHIP

*Section 3.01 **Definition of Members:** Application for voting membership shall be open to any individual or organization that supports the purpose and objective statements in Sections 1.02 and 1.03. Continuing membership is contingent upon being current in payment of annual membership dues which is defined as being no more than six (6) months delinquent from the due date of annual dues. Dues for new members must be received by the Treasurer one business day in advance of the minimum annual meeting notice requirements per Section 4.04 in order for that new member to have voting rights at the upcoming annual meeting.*

*Section 3.02 **Classes of Membership:** There will be two classes of membership, the first consisting of individuals and the second of organizations. Organizations that are members of the Association shall appoint up to five voting representatives who shall represent and vote on behalf of that organization at the annual meeting. Said representatives serve at the pleasure of their organization. The board of directors may establish policy to allow members that are organizations the opportunity to appoint additional voting representatives.*

*Section 3.03 **Membership Dues:** The Board shall set dues schedules for all classes of memberships. The Board may determine a sliding scale of dues to allow members that are organizations to appoint additional voting representatives per Section 3.02.*

*Section 3.04 **Member Powers:** Each individual member or voting representative of an organizational member will have one vote on any resolution that comes before the membership per Section 4.05, the election of the members of the Board per Section 5.04 and amendment or alternation of these Bylaws per Section 11.03.*

*Section 3.05 **Nonvoting Categories of Membership:** The Board shall have the authority to define and establish nonvoting categories of membership.*

*Section 3.06 **Suspension and Termination of Membership:** The Board may vote to suspend or terminate a membership with or without cause by majority vote at any time with a written notification to the member and a pro-rated refund of membership dues. A member shall be automatically suspended from membership in the Association if member dues are, according to Association records, in excess of six months delinquent. The Board may vote to terminate said member at any point thereafter by a majority vote. Once membership is terminated by action of the Board, said member may only be reinstated by a majority vote of the Board. In the event of suspension without termination, membership rights and benefits may be reinstated immediately upon payment of unpaid dues.*

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*Section 3.07 **Resignation of Membership:** A member may resign by giving a written notice to the secretary and said resignation will take effect in accordance with the terms thereof.*

*Section 3.08 **Liability for Unpaid Dues:** Members who are suspended, resign or are terminated from membership in the Association shall be liable to the Association for unpaid dues, unless otherwise provided by the Board.*

Article IV. MEETINGS OF MEMBERS

*Section 4.01 **Annual Member Meeting:** The annual meeting shall take place within the month of June with the specific date, time and place to be set by the Board. Member meetings will be chaired by the president or, in the president's absence, the vice president or other officer designated by the president. At the annual meeting the board of directors must present a financial report verified by the president and treasurer or by a majority of the directors or certified by a public accountant.*

*Section 4.02 **Special Member Meetings:** Special meetings may be called by the president, the executive committee or a simple majority of the Board. A petition signed by at least ten percent of the voting members may call a special meeting.*

*Section 4.03 **Quorum Present at Member Meetings:** A quorum shall consist of ten percent (10%) of the current membership.*

*Section 4.04 **Notice of Member Meetings:** Notice of each meeting shall be given to each voting member, by email, sent not less than fifteen days before the meeting. Such notice must include copies of any resolutions that will be presented for voting by the members at said meeting.*

*Section 4.05 **Members, Required Number to Constitute Act:** A member may file with the secretary of the Association any resolution for a vote of the membership that is pertinent to the objects and purposes of the Association and that has support of the membership indicated by the written confirmation of at least five percent of the total number of members. Such resolutions must be filed 30 days in advance of any meeting of the membership. The secretary of the Association must provide members with copies of said resolution per the notification requirements specified in Section 4.04.*

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Article V. BOARD OF DIRECTORS

*Section 5.01 **General Powers:** All corporate powers shall be exercised by or under the authority of the Board. The business and affairs of the Association shall be managed and delegated under the direction of the Board.*

*Section 5.02 **Number and Tenure of Directors:** The authorized number of directors shall be not less than nine (9) or more than fifteen (15) until changed by a duly adopted amendment to these Bylaws. Each director shall have one vote on any matter that comes before the board. Directors shall serve staggered three (3) year terms, determined by lot, and shall be elected by members via electronic voting procedure, conducted on an annual basis prior to or during the annual business meeting of the board of directors. Each director shall hold office for their specified term, or until removal per Section 5.05. However, if the director's term expires, the director shall continue to serve until a new director is appointed per Section 5.06 or until there is a decrease in the number of directors. Directors are eligible for re-election but no director shall serve more than two consecutive three-year terms. Directors may serve more than two three-year terms if the terms are not consecutive.*

*Section 5.03 **Nomination of Directors:** Nominees for the Board must be individual members of the Association. Voting representatives of an organizational member are not eligible for nomination. Nominees for the Board will be nominated by the Board development committee (the "Board Development Committee") in accordance with Section 7.03. In addition to the slate of nominees presented by the Board Development Committee, any individual member may become a nominee by obtaining the written confirmation of at least five percent of the Association members who move his or her nomination. Nominations must be received by the Board at least 30 days prior to the announced scheduled election.*

*Section 5.04 **Election Procedures:** All current members will be eligible to vote for board candidates. The election will be held in accordance with election procedures established by the Board at the annual meeting. Each individual member or voting representative of an organizational member eligible to vote shall receive one ballot, and shall have a number of votes equal to the number of openings on the ballot to be filled. Members may not cast more than one vote for the same candidate. The nominees receiving the largest number of votes in the annual election shall be elected to those full term vacancies which exist.*

*Section 5.05 **Removal of Directors:** A director may be removed, with or without cause, if a majority of the directors present at a duly constituted meeting votes for the removal. A director may be removed for excess absences if s/he has three absences from board of directors meetings within one year. Removal must be stated as a purpose of the meeting*

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and such purpose must be clearly articulated in the notice of the meeting sent to directors.

*Section 5.06 **Board of Directors Vacancies:** If a vacancy occurs on the Board, including a vacancy resulting from an increase in the number of directors, the majority of the Board as a whole or the members shall appoint a director within thirty days of the commencement of the vacancy. If the directors remaining in office constitute less than a quorum of the board, they shall fill the vacancy by the affirmative vote of a majority of all the directors remaining in office within thirty days of the commencement of the vacancy. If a director resigns effective at a specific later date, the vacancy may be filled as described above before the vacancy occurs but the new director may not take office until the vacancy actually occurs.*

*Section 5.07 **Regular Meetings of the Board of Directors:** The Board shall hold a regular meeting at least once per quarter. The annual member meeting shall also be designated as the board's annual business meeting for the purpose of transferring authority to newly elected directors and electing officers. The Board may provide, by resolution, the date, time and place of additional regular meetings. Regular board of director meetings may be held by telephone or web, if convened in accordance with Section 5.12.*

*Section 5.08 **Notice of Regular Meetings of the Board of Directors:** The Association's secretary will give each director written notice of a regular meeting of the Board by U.S. mail postmarked at least 15 days prior to the meeting. The notice shall include the meeting place, day and hour. In all cases, if the meeting is to be held by telephone or web, the secretary must provide instructions for participating in the meeting.*

*Section 5.09 **Special Meetings of the Board of Directors:** The president, presiding officer of the Board or at least one third of the directors then in office may call and direct the secretary to give notice of a special meeting of the Board. Special meetings of the Board may be held by telephone or web, if convened in accordance with Section 5.11.*

*Section 5.10 **Notice of, and waiver for, Special Director Meetings:***

- (a) *Notice:* The Association's secretary shall give either oral or written notice of any special director meeting at least 5 business days before the meeting. The notice shall include the meeting place, day and hour. In all cases, if the meeting is to be held by telephone or web, the secretary must provide instructions for participating in the meeting.
- (b) *Effective Date:* If mailed, notice of any director meeting shall be deemed to be effective at the earlier of:

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- (i) Five (5) days after deposit in the United States mail, addressed to the director's business office with postage prepaid; or
 - (ii) The date shown on the return receipt (if sent by registered or certified mail or other private delivery service, return receipt requested, and the receipt is signed by or on behalf of the director); or
 - (iii) The date when received.
- (c) Waiver of Notice: Any director may waive notice of any meeting. The waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records. A director's attendance at a meeting waives the director's right to object to lack of notice or defective notice of the meeting; this shall be true unless the director at the beginning of the meeting or promptly upon arrival objects to holding the meeting or transacting business at the meeting and does not vote for or assent to action taken at the meeting. Neither the secretary nor director needs to specify in the notice or waiver of notice the business to be transacted at, or the purpose of, any special board meeting unless it pertains to the removal of a director per Section 5.05 or the removal of an officer per Section 6.03.

*Section 5.11 **Board of Director Meetings by Conference Telephone:** If authorized by the Board, the Board or any designated committee of the Association may participate in a board or committee meeting by means of telephone or web, providing all persons entitled to participate in the meeting received proper notice of the meeting per Section 5.08 or Section 5.10 and provided all persons participating in the meeting can hear each other at the same time. A director participating in a telephone or web meeting is deemed present in person at the meeting. The chairperson of the meeting may establish reasonable rules as to conducting the meeting by telephone or web.*

*Section 5.12 **Quorum:** Quorum shall consist of one-third of the current members of the Board.*

*Section 5.13 **Directors, Required Number to Constitute Act:** The act of a majority of the directors present at a meeting at which a quorum is present (when the vote is taken) shall be the act of the board of directors. If no quorum is present at a meeting of directors, the directors may not take action on any board matter other than to adjourn the meeting to a later date.*

*Section 5.14 **Conduct of Board of Director Meetings:** The president, or in the president's absence, the vice-president, or in their absence, any person chosen by the directors present shall call the meeting of the directors to order and shall act as the chairperson of the meeting. The chairperson, or the chairperson's designee, shall establish rules of the meeting that will freely facilitate debate and decision-making. The*

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chairperson will indicate who may speak when and when a vote will be taken. The secretary of the Association shall act as the secretary of all meetings of the directors, but in the secretary's absence, the presiding officer may appoint any other person to act as the secretary of the meeting.

*Section 5.15 **Director Action Without a Meeting:** The directors may act on any matter generally required or permitted at a board meeting, without actually meeting, if: all the directors take the action, each one signs a written consent describing the action taken, and the directors file all the consents with the records of the Association. Action taken by consent is effective when the last director signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be referred to as a meeting vote in any document.*

Article VI. OFFICERS

*Section 6.01 **Number of Officers:** The officers of the Association shall be a president, a vice president, a secretary, and a treasurer. In addition, the executive director shall be considered an officer ex-officio of the Board. The Board shall elect each of these officers. The Board may appoint other officers and assistant officers if a majority of directors deems it necessary. If a majority of the board of directors specifically authorizes an officer to appoint one or more officers or assistant officers, the officer may do so. Any two offices may be held by the same person except the offices of president and secretary.*

*Section 6.02 **Appointment and Term of Office:** Officers of the Association shall be elected by members of the Board for a period of one year or, within that year, until they resign, die or are removed in a manner provided in Section 6.03. Officers may be re-elected but may not serve more than three consecutive one-year terms in the same office.*

*Section 6.03 **Removal of Officers:** The Board may remove any officer or agent any time, with or without cause, by a vote of a majority of the Board. Removal must be stated as a purpose of the meeting and such purpose must be clearly articulated in the notice of the meeting sent to directors.*

*Section 6.04 **President:** The president shall preside at meetings of the Board. The president shall be subject to the control of the Board, and shall in general oversee, in good faith, the affairs of the Association. The president may sign, with the secretary or any other proper officer of the Association that the Board has authorized, Association deeds, mortgages, bonds, contracts, or other Board authorized instruments.*

*Section 6.05 **Vice-President:** The vice-president shall perform, in good faith, the president's duties if the president is absent, dies, is unable or refuses to act. If the vice-president acts in the absence of the president, the vice-president shall have all presidential powers and be subject to all the restrictions upon the president. (If the vice-*

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president is unable or refuses to act, then the secretary shall perform the presidential duties.) The vice-president shall perform any other duties that the president or Board may assign to-the vice-president.

*Section 6.06 **Secretary:** The secretary shall in good faith: (1) create and maintain one or more books for the minutes of the proceedings of the Board; (2) provide that all notices are served in accordance with these Bylaws or as required by law; (3) be custodian of the totality of corporate records as stated in Article II; (4) when requested or required, authenticate any records of the Association; (5) keep a current register of the email address and at least one additional form of contact of each director; and (6) in general perform all duties incident to the office of secretary and any other duties that the president or the Board may assign to the secretary.*

*Section 6.07 **Treasurer:** The treasurer shall: (1) have charge and custody of and be responsible for all funds and securities of the Association; (2) receive and give receipts for moneys due and payable to the Association from any source, and deposit all moneys in the Association's name in banks, trust companies, or other depositories that the board shall select; (3) submit the books and records to a Certified Public Accountant or other accountant for annual audit or review; and (4) in general perform all of the duties incident to the office of treasurer and any other duties that the president or board may assign to the treasurer. If required by the Board, the treasurer shall give a bond for the faithful performance of the treasurer's duties and as insurance against the misappropriation of funds. If a bond is required, it shall be in a sum and with the surety or sureties that the Board shall determine.*

*Section 6.08 **Executive Director.** The executive director, if any, shall be the principal executive officer of the Association and is hired by the Board. The executive director has day-to-day responsibility for the affairs of the Association, including carrying out the Association's goals and policy set forth by the board of directors. The executive director will attend all the Board meetings, report on the progress of the Association, answer questions of directors and carry out the duties described in the job description. The Board can designate other duties as necessary.*

Article VII. COMMITTEES

*Section 7.01 **Director Committees:** The Board may create committees as needed. There shall be four standing committees - executive, board development, finance and personnel committees. Committee chairs must be members of the Board. Members may serve on more than one committee but may chair only one committee. The president appoints all committee chairs. Committee members shall serve one-year terms.*

*Section 7.02 **Executive Committee.** Directors are eligible to serve on the Executive Committee after one year of service on the Board. The four officers serve as the members of the executive committee. The executive committee shall review the performance of the executive director. Except for the power to amend the Articles of Incorporation and*

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Bylaws; adopt the general budget, purchase; sell or lease real property; form an affiliation or fix annual dues, the executive committee shall have all of the powers and authority of the Board in the intervals between meetings of the Board, subject to the direction and control of the Board.

*Section 7.03 **Board Development Committee.** The Board Development Committee shall have three members of the Board, with the executive director as an ex-officio committee member, and be charged with preserving the diversity and balance necessary to enable the Association to provide policy guidance on the broad spectrum of community design issues. The Board Development Committee shall be responsible for developing nominees for board elections, board committees, and planning for board training and leadership development. The Board Development Committee shall be responsible for nominating a slate of nominees for the Board equal to the number of elected directors to be chosen each year.*

*Section 7.04 **Finance Committee.** The treasurer is chair of the finance committee, which includes three other members of the Board. The finance committee is responsible for developing and reviewing fiscal procedures, a fundraising plan, and annual budget with staff and other members of the board of directors. The Board must approve the budget and all expenditures must be within the budget. A significant change in the budget, defined as more than five percent (5%) of the total budget, must be approved by the Board. The fiscal year shall be the calendar year. Quarterly reports are required to be submitted to the Board showing income, expenditures and pending income. The financial records of the Association are public information and shall be made available to the membership, members of the Board and the public.*

*Section 7.05 **Personnel Committee and Hiring Policy.** When necessary for organization operations, the personnel sub-committee shall be established and comprised of four members of the Board. The Personnel Committee will operate as a grievance committee, and is responsible for developing a personnel policy. The Board as a whole is responsible for hiring the executive director. The executive director is solely responsible for hiring and supervising all other staff.*

*Section 7.06 **Creation of Committees.** The Board may create one or more additional committees and appoint members of the board to serve on them. Volunteers from the community may serve on these committees when appropriate*

*Section 7.07 **Selection of Committee Members.** To create a committee and appoint members to it, the Board must acquire approval by the majority of all the existing directors when the action is taken.*

*Section 7.08 **Required Procedures.** The committees are subject to all the procedural rules governing the operation of the Board itself.*

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Section 7.09 Authority. Each committee may exercise the specific Board authority which the Board confers upon the committee in the resolution creating the committee. Provided, however, a committee may not:

- (a) approve the dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the Association's assets;*
- (b) elect, appoint, or remove directors or fill vacancies on the Board or on any of its committees; or*
- (c) adopt, amend, or repeal the Articles or these Bylaws.*

Article VIII. CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

Section 8.01 Contracts: The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instruments in the name of and on behalf of the Association and such authorization may be general or confined to specific instruments.

Section 8.02 Loans: The Association shall not allow anyone to contract on behalf of it for indebtedness for borrowed money unless the Board authorizes such a contract by resolution. The Association shall not allow anyone to issue evidence of the Association's indebtedness unless the Board authorizes the issuance by resolution. The authorization may be general or specific.

Section 8.03 Checks, Drafts, etc.: The Board shall authorize by resolution which officer(s) or agent(s) may sign and issue all Association checks, drafts or other orders for payment of money, and notes or other evidence of indebtedness. The Board shall also determine by resolution the manner in which these documents will be signed and issued.

Section 8.04 Deposits: The treasurer of the Association shall oversee the deposit of all funds of the Association, in banks and other depositories; the Board shall authorize by board resolution the exact location of the banks and depositories.

Article IX. PROHIBITED TRANSACTIONS

Section 9.01 Prohibited Transactions: The following transactions are prohibited under these Bylaws.

- (a) Compensation of Directors for board service: Members of the Board may not be compensated for their service as board members. This shall not, however, prevent the Association's payment to any person of reasonable compensation for*

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services rendered to or for the Association in effecting any of its purposes as determined by the board of directors and approved per the Association's conflict of interest policy.

- (b) *Loans to or Guaranties for Directors: The Association may not lend money to or guarantee the obligation of a director of the Association.*

Article X. INDEMNIFICATION AND LIMITATION OF LIABILITY

Section 10.01 Generally:

- (a) *The Association shall indemnify an individual who entirely prevails in the defense of any proceeding to which he or she was a party because he or she is or was a director of the Association against reasonable expenses incurred by him or her in connection with the proceeding.*
- (b) *The Association also shall indemnify an individual made a party to a proceeding because he or she is or was a director against liability incurred in the proceeding if: (1) he or she conducted him or herself in good faith; and (2) he or she believed: (a) in the case of conduct in his or her official capacity with the Association, that his or her conduct was in its best interests; and (b) in all other cases, that his or her conduct was at least not opposed to its best interests; and (3) in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. The termination of a proceeding by judgment, order, settlement or conviction is not, of itself, determinative that the director did not meet the standard of conduct described in Section 10.01(b).*
- (c) *In any proceeding brought by or on behalf of the Association, no damages shall be assessed against an officer or director arising out of a single transaction, occurrence, or course of conduct unless the officer or director engaged in willful misconduct or a knowing violation of the criminal law.*

Section 10.02 Advances: *The Association shall pay for or reimburse the reasonable expenses incurred by an officer or director who is a party to a proceeding in advance of final disposition of the proceeding if: (1) the officer or director furnishes the Association a written statement of his or her good faith belief that he or she has met the standard of conduct described in Section 10.01 above; (2) the officer or director furnishes the Association a written undertaking, executed personally or on his or her behalf, to repay the advance if it is ultimately determined that he or she did not meet the standard of conduct (which undertaking shall be an unlimited general obligation of the officer or director but need not be secured and may be accepted without reference to financial ability to make repayment); and (3) a determination is made that the facts then known to those making the determination would not preclude indemnification under Article 9 of the Virginia Nonstock Corporation Act.*

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*Section 10.03 **Determination:** The Association shall not indemnify a director under Section 10.01 above unless authorized in the specific case after a determination has been made that indemnification of the director is required under Section 10.01 hereof because he or she has met the standard of conduct set forth herein. The determination shall be made (1) by the Board by a majority vote of a quorum consisting of directors not at the time parties to the proceeding; (2) if such a quorum cannot be obtained, by majority vote of a committee duly designated by the Board (in which directors who are parties may participate in such designation), consisting solely of two or more directors not at the time parties to the proceeding; (3) by special legal counsel (a) selected by the Board or its committee in the manner prescribed in subsection (1) or (2) above, or (b) if such a quorum of the Board cannot be obtained and such a committee cannot be designated, selected by a majority vote of the Board, in which directors who are parties may participate in such selection. Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under Section 5.3 to select counsel.*

*Section 10.04 **Others:** Unless limited by the Articles of Incorporation, each officer, employee and agent of the Association shall be entitled to indemnification and advance expenses to the same extent as a director.*

*Section 10.05 **Insurance:** The Association may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee or agent of the Association, or who, while a director, officer, employee or agent of the Association, is or was serving at the request of the Association as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against liability asserted against or incurred by him or her in that capacity or arising from his or her status as a director, officer, employee or agent, whether or not the Association would have power to indemnify him or her against the same liability under Section 10.01 of these Bylaws.*

*Section 10.06 **Application:** The Association shall have power to make any further indemnity, including advance of expenses, to any director, officer, employee or agent that may be authorized by the Articles of Incorporation or any bylaw or any resolution adopted, before or after the event, except an indemnity against his or her gross negligence or willful misconduct or knowing violation of the criminal law. Unless the Articles of Incorporation or any such bylaw or resolution provide otherwise, any determination as to any further indemnity shall be made in accordance with Section 10.03 of these Bylaws. Each such indemnity may continue as to a person who has ceased to have the capacity referred to above and may inure to the benefit of the heirs, executors and administrators of such a person.*

*Section 10.07 **Limitation:** Notwithstanding any other provision hereof, the Association shall not indemnify or maintain insurance for indemnification if such acts would be*

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considered self-dealing under Section 4941 of the Internal Revenue Code of 1986, as amended.

Article XI. MISCELLANEOUS

*Section 11.01 **Registered Office And Agent:** The Association shall at all times have a registered office and a registered agent.*

*Section 11.02 **Conflicts of Interest Policy:** The Board shall adopt and periodically review a conflict of interest policy to protect the Corporation's interest when it is contemplating any transaction or arrangement that may benefit any officer, director, employee, affiliate, or committee member with board-delegated powers.*

*Section 11.03 **Amendment:** These Bylaws may be amended, altered, repealed or enhanced by an affirmative vote of two-thirds of the current members at a meeting where a quorum is present. Notice of the proposed changes shall accompany notice of the members' meeting.*

*Section 11.04 **General:** Any matters not specifically covered by these Bylaws shall be governed by the applicable provisions of the Virginia Nonstock Corporation Act in force at the time.*

*Section 11.05 **Fiscal Year:** The fiscal year of the Association shall end on such date and consist of such accounting periods as the Board may determine.*

These Bylaws have been approved and adopted pursuant to a Unanimous Consent of Directors in Lieu of Organizational Meeting dated February __, 2017.