

**BYLAWS**  
**OF**  
**ELECTRONIC RETAILING ASSOCIATION**

**ARTICLE I. NAME AND OFFICE**

**Section 1.** The name of this Association shall be Electronic Retailing Association (the “Association”), a non-profit District of Columbia corporation.

**ARTICLE II. PURPOSE**

**Section 2.** The purpose of this Association shall be to foster the growth, development, and acceptance of the electronic retailing industry worldwide; to educate the members and the public concerning the industry; to advance the commercial interests of its members; to perform all desirable and lawful functions necessary for the beneficial and efficient operation of the Association; and to have and to exercise all the powers conferred upon corporations by the laws of the District of Columbia.

**ARTICLE III. MEMBERS**

**Section 3.1 Eligibility For Membership.**

Subject to acceptance pursuant to Section 3.4, membership in the Association is available to the following:

(a) any person, firm, corporation or other entity actively engaged in, and deriving direct revenue from, the sale of goods and/or services by means of electronic retailing, including infomercials, short-form direct response television commercials, television shopping channels and online retailing industry, which shall include but not be limited to retailers, and marketers associated with selling products or services directly to the consumer. Retailers are defined as companies who sell products or services directly to the consumer. Marketers are defined as companies who own product and may or may not sell the product or service directly to the consumer.

(b) any person, firm, corporation or other entity otherwise associated with or providing services to the electronic retailing industry, which shall include but not be limited to producers, advertisers media placement agencies, equipment vendors, manufacturers,

consultants, telephone service providers, attorneys, web designers, cd rom producers, data processing service providers, fulfillment and shipping service providers, post-production vendors, TV stations, cable networks, satellite delivery systems, and other entities interested in the growth and success of electronic retailing, not including trade publications or other trade media.

### **Section 3.2 Dues and Assessments.**

The Board of Directors shall adopt, from time to time, a schedule of dues, fees and other charges and assessments, for Members in the Association and the method of payment. No member shall be considered to be in good standing if his or its dues or other fees and charges are forty-five (45) days or more days in arrears, and such dues or other fees or charges are not paid within ten (10) days after written notification to such member. In such event, the member shall be expelled automatically from the membership of the Association unless, for reasons satisfactory to the Board of Directors, such default in payment is excused. The Board of Directors may, at its discretion, assess the membership in proportion to the current dues structure, where the financial condition or special projects of the Association are deemed by the Board to require such action.

Each member company of ERA shall sign an affidavit attesting that the ERA dues that the member company is paying are based on the company's total annual revenue derived from direct response sales activity – unless the company's profile meets the criteria for "other member classes" listed below. This affidavit will be completed upon application and renewal of dues.

### **Section 3.3 Other Member Classes.**

**Subject to acceptance pursuant to Section 3.4** Other classes of members may be approved by the Board of Directors from time to time.

### **Section 3.4 Acceptance of Members; Transfer of Membership.**

Application for membership in the Association shall be made to the President of the Association in writing on application forms provided by the Board of Directors for that purpose. The Board of Directors shall review the qualifications for membership of each applicant and shall accept or reject by a majority vote, such member application based upon the association's established criteria for membership if qualified and upon payment of the appropriate dues. Further, any candidate must not be in a willful violation or breach of any of the provisions of the bylaws or the accepted and endorsed industry standards and guidelines adopted by the board of directors or which contravenes the objectives of this association, or reflects discredit upon the industry.

Each member shall file with the Secretary of the Association the name of a delegate and an alternate to represent such member at all meetings of the Association and to vote for such members. The designation of a delegate may be changed or revoked at any time by written notice filed with the Secretary. Any member represented at any

meeting by a duly designated delegate shall be deemed present at such meeting. No membership shall be assigned or transferred either voluntarily or involuntarily or by operation of law, except with the consent and approval of the Board of Directors; nor shall any membership or membership rights of a member be assigned, transferred, alienated, or encumbered in any manner or by any means whatsoever. Each member of the association must agree to comply with the rules and regulations of the Electronic Retailing Self-Regulatory Program (ERSP) and the ERA Counterfeiting Fact Finding Program (ECFFP).

### **Section 3.5 Termination of Membership.**

Any member may withdraw from the Association by written resignation delivered to the Secretary. Any resignation delivered to the Secretary after the date on which dues or other charges are payable shall not release the resigning member from payment of such dues and charges.

### **Section 3.6 Suspension and Termination.**

At any meeting of the Directors called for such purpose, any member may, by vote of the Directors, be suspended and/or terminated for any act which in the judgment of such Board constitutes a willful violation or breach of any of the provisions of the Bylaws or the accepted and endorsed Industry Standards and Guidelines adopted by the Board of Directors or which contravenes the objectives of this Association, or reflects discredit upon the industry. Any member may be suspended or terminated immediately and automatically without consideration by the board of directors for nonpayment of dues; and any member will be terminated immediately and automatically without consideration by the board of directors for failure to comply with the ERSP and ECFFP. Any member suspended or terminated pursuant to this Section after the date on which dues or other charges are payable shall not be released from its obligation to pay to the Association all such dues and charges accrued up to the date of such suspension or termination. For any cause other than nonpayment of dues or failure to comply with the ERSP or ECFFP, vote for removal shall occur only after the member complained against has been advised of the complaint so lodged and has been given reasonable opportunity for defense and cure.

### **Section 3.7 Members' Annual Meetings.**

The annual meeting of the members of the Association shall be held in the fall of each year at such time and place as shall be selected by the Board of Directors of the Association. Written notice of the annual meeting stating the place, date and hour thereof, shall be given to each member at least twenty (20) days before such meeting.

### **Section 3.8 Special Meetings.**

Special meetings of the members, for any purpose or purposes, may be called by the Board of Directors or by the President, at the request, in writing, of at least

two-thirds (2/3) of the Members of the Association. Such request shall state the purpose or purposes of the proposed meeting. No business shall be transacted at a special meeting other than such as is included in the purposes stated in the notice. Notice of each special meeting shall be given at least ten (10) but not more than fifty (50) days before such meeting to each member. Notice of any special meeting shall specify the purposes of the meeting, in addition to the place, date and hour of such meeting.

### **Section 3.9 Order of Business.**

At all meetings of members, unless otherwise determined by the Chairman of the Board, the order of business shall be as follows:

1. Call to Order.
2. Proof by the Secretary of the Association of notice of meeting or of waivers thereof.
3. Reports.
4. If an annual meeting, or a special meeting called for that purpose, the election of Directors for the succeeding year.
5. Unfinished business.
6. New business.
7. Adjournment.

This order of business may be changed by a vote of a majority of the Directors present. Meetings of members shall be presided over by the Chairman of the Board of the Association or, in the Chairman's absence, the Chairman-Elect. The Secretary of the Association shall act as Secretary of any meetings of the members. Any question as to priority of business shall be decided by the presiding officer of the meeting after the opportunity to consult with the Association's General Counsel, without debate. The usual parliamentary rules as laid down in "Robert's Rule of Order" shall govern all deliberations, when not in conflict with these Bylaws.

### **Section 3.10 Adjournment and Notice.**

Any members' meeting may be adjourned from time to time by a vote of the majority of the Members present or by proxy. When any meeting of members is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise, it shall not be necessary to give any notice of adjournment other than by announcement at the meeting at which adjournment is taken nor shall it be necessary to give any notice of the business to be transacted at an adjourned meeting.

### **Section 3.11 Quorum.**

At any duly called meeting of the members, a quorum shall consist of ten (10) percent of the Members. If a quorum is lacking at any meeting, the Members present may adjourn the meeting to a date not later than fifteen days from such date.

### **Section 3.12 Voting by Email Ballots.**

Any matter upon which the Members may vote may be presented to the Members by email and a vote may be taken thereon by ballot, rather than at an annual or special meeting of the members. Any action taken by an email ballot shall be effective as if such action were taken at a duly called meeting, provided that a quorum of the Members returns a ballot.

## **ARTICLE IV. DIRECTORS**

### **Section 4.1 General Powers.**

The business and affairs of the Association shall be managed under the direction of its Board of Directors. In addition to the powers expressly conferred upon them by these Bylaws, the Board of Directors may exercise all the powers of the Association not reserved to the members by the Articles of Incorporation, by these Bylaws or by law. From time to time, the Board of Directors may delegate to officers of the Association such powers and duties as it may see fit in addition to those specifically provided in the Bylaws. The Chair of each Regional Board shall serve on the association's Board. Each Regional Board Chairman's term on the Board shall correspond to their term on the Regional Board but not exceed three years.

### **Section 4.2 Ex-Officio Directors.**

The Board Chair may, at his/her discretion, appoint ex-officio members to the Board of Directors, with the approval of the Board of Directors Executive Committee. Each such ex-officio member of the Board of Directors shall serve a term of one year, or the balance of the Chair's term.

Further, the Board of Directors designates as permanent ex-officio Directors, a Founders Circle consisting of representatives of the founding members in good standing.

Further, Past Board Chairs in good standing may participate as Ex-Officio Directors for up to two years after their term as Immediate Past Chair ends.

Ex-officio members who have signed a confidentiality agreement will receive notices of meetings, agendas and minutes of regular Board meetings as and when

Board members receive them. Ex-officio members' attendance is limited to business meetings of the Board. The Board Chair may invite ex-officio members to attend Board social and developmental functions. Ex-officio members may participate in Board discussions, but may not vote, make motions, nor place items on the Board's agenda.

### **Section 4.3 Number and Tenure.**

Except as provided below, representatives of members eligible under Section 3.1(a) shall hold office for a term of three (3) years and representatives of members eligible under Section 3.1(b) shall hold office for a term of three (3) years; provided, that both shall hold office until their successors are elected and qualified. The terms shall be staggered to provide continuity of management. The number of Directors may, by vote of two-thirds (2/3) of the members of the Board, be decreased to not less than fifteen (15) or increased to a number not exceeding eighteen (18), which shall include the officers and the Immediate Past Chairman of the Board for a one-year term; however, by special vote of two-thirds (2/3) of the members of the Board may increase the number of Directors to a number not to exceed twenty-one (21) or decrease the number of Directors to a number not less than twelve (12) for a single year. Upon any change to the number of Directors, the Board shall inform the Nominating Committee as to the number of Directors that need to be included in the slate for election at the next Fall annual general meeting of the Members. The Board of Directors shall keep minutes of its meetings and a full account of its transactions and proceedings.

No Director shall be eligible to serve as a voting member of the Board beyond a single term of two or three (or up to five as the case may be for the Chairman-Elect) consecutive years, depending on classification of membership, unless he has an interval of at least a one year period in which he is not serving as a voting member on the Board. Notwithstanding the foregoing, a Director elected to fill a vacancy may after completion of the unexpired term thereafter be reelected for a new full term. No Director shall serve as a voting member on the Board at the same time that another individual from his member entity is serving on the Board. The Nominating Committee shall select candidates for Board positions in a manner so that at least two-thirds of the voting Directors will be representatives of members eligible under Section 3.1(a).

### **Section 4.4 Regular Meetings.**

The Board of Directors shall meet regularly, but not less than once a year.

### **Section 4.5 Special Meetings.**

Special meetings of the Board of Directors may be called by the Chairman or by at least one-third (1/3) of the members of the Board of Directors.

### **Section 4.6 Place of Meetings.**

The Board of Directors may hold its regular and special meetings at such place within or without the District of Columbia as it may from time to time determined.

**Section 4.7 Notice.**

Notice of the place, day and hour of every regular and special meeting shall be given to each Director:

(a) By notice in writing via email or mailed postage prepaid not later than the third day before the day set for the meeting and addressed to the Director's last known post office or email address according to the records of the Association; or

(b) By telegraphic or telephonic communication or by notice in writing delivered personally or left at the Director's residence or usual place of business not later than the day before the day set for the meeting.

No notice of the time, place or purpose of any meeting need be given to any Director who, in writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice or who attends the meeting.

**Section 4.8 Quorum.**

One-third (1/3) of the Board of Directors shall constitute a quorum for the transaction of business at every meeting; but if at any meeting there be less than a quorum present, two-thirds (2/3) of those present may adjourn the meeting from time to time, but not for a period in excess of thirty (30) days, without notice other than by announcement at the meeting, until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called. Except as otherwise provided in the Articles of Incorporation or these Bylaws, the action of a majority of the Directors present at a meeting at which a quorum is present shall be the action of the Board of Directors.

**Section 4.9 Vacancies.**

Any vacancy occurring in the Board of Directors may be filled by vote of the remaining Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office. The Directors shall fill vacancies in a manner so that at least two-thirds of the voting Directors will be representatives of members eligible under Section 3.1(a).

**Section 4.10 Removal of Directors.**

At any meeting of the members called for the purpose, any Director may, by vote of two-thirds (2/3) of all votes entitled to be cast by the Regular Members for the election of Directors, be removed from office, with or without cause and a successor may be elected to fill any resulting vacancy for the remainder of the term of the Director so

removed. Any Director can be removed from office by vote of two-third (2/3) of the members of the entire Board for failure to attend three meetings of Board of Directors each year.

**Section 4.11 Compensation.**

Directors shall receive no compensation for their services as such but may, by resolution of the Board of Directors, be allowed reimbursement for their expenses actually and reasonably incurred on behalf of the Association.

**Section 4.12 Informal Action by Directors.**

Any action of the Directors may be taken without a meeting if consent in writing setting forth the action is provided to all directors at least 48 hours before the action is taken and is signed by a majority of Directors and filed with the minutes of the Association. Any such actions will be brought to the Board at the next regularly scheduled meeting for ratification.

**Section 4.13 Telephone Conference.**

Members of the Board of Directors or any committee thereof may participate in a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meetings can hear each other at the same time and participation by such means shall constitute presence in person at the meeting.

**Section 4.14 Rules and Regulations.**

The Board of Directors may adopt such rules and regulations for the conduct of its meetings and the management of the affairs of the Association as it may deem proper and not inconsistent with the laws of the District of Columbia, these Bylaws or the Articles of Incorporation.

**ARTICLE V. OFFICERS.**

**Section 5.1 In General.**

The officers of the Association shall consist of a Chairman of the Board, a Chairman-Elect, a President, a Secretary, and a Treasurer, and such other officers as may be deemed advisable by the Board. The officers of the Association must either be employed by Members or be Members. The President will be automatically considered to be a member.

The officers shall be elected by a vote of the Board of Directors at a meeting prior to the annual meeting and at which a quorum is present. The Chairman of the Board is not elected, but instead succeeds to the office as provided in these Bylaws.

The Chairman-Elect may be chosen from the immediate past Board of Directors. Any two offices, except those of President and Secretary, and Chairman and Chairman-Elect, may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity, when such instrument is required to be executed, acknowledged or verified by any two or more officers.

The directors and officers of the association will be committed to, and comply with, ERA's guidelines, the ERSP, the ECFFP, and applicable laws and regulations; further, individual directors and officers may not have any past criminal convictions involving marketing of consumer products or services, or criminal convictions involving other fraudulent conduct which could be detrimental to the public reputation of the ERA

The position of Chairman-Elect shall automatically succeed to the position of Chairman, and the individual who is Chairman-Elect shall assume the position of Chairman at the same time as the installation of the new Directors.

The term of office for all of the positions shall be for one year. An individual may not serve as Chairman-Elect for more than one term unless there is a gap in service of at least two years following his service as Chairman.

The positions of Chairman and Chairman-Elect shall be held only by persons who have served at least one year on the Board. The Chairman-Elect shall be entitled to serve on the Board for a term of up to six (6) years if he is elected to the position of Chairman-Elect at the end of his third year on the Board.

If for any reason any one of the foregoing officers shall fail or be unable to complete his term of office, the Directors shall choose a replacement from among themselves. The Directors may at any time and for any reason remove and replace the Chairman, the Chairman-Elect, the Secretary and the Treasurer.

## **Section 5.2 Chairman of the Board.**

The Chairman of the Board shall, when present, preside at all meetings of the Directors. He shall advise the President of the Association and shall be a member ex-officio, with the right to vote, on all committees (except that with respect to the Nominating Committee he shall have no right to vote).

## **Section 5.3 Chairman-Elect.**

The Chairman-Elect shall be responsible for such duties as are assigned to him by the Chairman or by the Board. In the absence of the Chairman or in the event of the inability or refusal of the Chairman to act, the Chairman-Elect shall perform the duties of the Chairman, and when so acting shall have and may exercise all the powers of the Chairman. The Chairman-Elect shall serve as Chair of the Strategic Planning

Committee and the Chair of the Membership Committee.

**Section 5.4 President.**

The President shall be the Chief Executive Officer of the Association. S/he is the principal staff employee and shall have general management and direction of the activities of the Association and all powers ordinarily exercised by the president to a corporation; s/he shall have authority to employ, and to terminate and to compensate the staff, to assist her/him in the general management and direction of the activities of the Association. The president shall provide a signed statement annually to the Board of Directors concerning the accuracy and completeness of the financial reports of the Association. The President shall serve as ex-officio of the Board of Directors but shall not have voting rights on the Board.

**Section 5.5 Secretary.**

The Secretary or a designee thereof shall keep minutes of the meetings of the Board of Directors, see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, be custodian of the corporate records and of the seal of the Association, and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

**Section 5.6 Treasurer.**

The Treasurer shall serve as the Chair of the Finance Committee. He will be responsible for overseeing financial reporting, internal accounting controls, investments, and carrying out all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

**Section 5.7 Compensation.**

Except as may be expressly approved by resolution of the Board of Directors, no officers shall receive any compensation for their services as such but may be reimbursed for their expenses actually and reasonably incurred on behalf of the Association.

**Section 5.8 Removal.**

The Board of Directors shall have the power to at any regular or special meeting to remove any officer with or without cause. The Board of Directors may authorize any officer to remove subordinate officers.

**Section 5.9 Vacancies.**

The Board of Directors at any regular or special meeting shall have the power to fill a vacancy occurring in any office.

**Section 5.10 Administrative Staff.**

Administrative staff may be employed by the Association to serve under the supervision of the President. The staff shall manage the day-to-day affairs of the Association, pursue the goals of the Association, supervise programs and services and carry out the mandates of the President and the Board of Directors.

**ARTICLE VI. PERMANENT COMMITTEES OF THE BOARD OF DIRECTORS**

**Section 6.1 Executive Committee.**

The Association shall have as a permanent standing committee an Executive Committee to act in place and stead of the Board of Directors between Board meetings on all matters except those specifically reserved to the Board by these Bylaws or by the laws of the District of Columbia. Actions of the Executive Committee shall be reported to the Board at the next Board meeting or by email.

The Executive Committee shall consist of the Chairman, the Chairman-Elect, the Immediate Past Chairman, the Secretary, the Treasurer, and two members of the Board of Directors elected at large. In addition, the immediate past chairman of the Board, and the President shall serve as ex officio members of the Executive Committee without vote. The two at-large members of the Executive Committee shall be elected annually by the immediate past Board of Directors from among the members of the Board.

**Section 6.2 Nominating Committee.**

The Association shall have as a permanent standing committee a Nominating Committee which shall select a slate of candidates to stand for election to the Board by email or fax ballot prior to the annual meeting of the Members. The proposed slate shall not be submitted to the Board. It shall be submitted by the President directly to the Members for voting as a whole.

The Nominating Committee shall consist of seven voting members. Three of the members of the Nominating Committee shall be selected by and from the Board of Directors. The immediate past chair of the board of Directors shall automatically be the chair and the fourth member of the Nominating committee with voting status, if necessary, for the Nominating Committee only. Three of the members of the Nominating Committee shall be selected by the Nominating Committee from the Members of the

Association who are not on the Board. A majority of the members of the Nominating Committee (four out of seven) shall be retailers or marketers. The procedures for selection of members of the Nominating Committee shall be as determined by resolution of the Board of Directors and in accordance with such policies and procedures as the Board may decide from time to time. The President and Chairman of the Association shall serve as non-voting ex officio members of the Nominating Committee. No more than one individual from any member entity may serve at the same time on the Nominating Committee.

Each member of the Nominating Committee shall serve for a term of one year. There shall be no limits on the number of terms that a member may serve on the committee.

### **Section 6.3 Finance Committee.**

The Association shall have a standing Finance Committee constituted of at least two current Board members, one past Board member, and no more than five current members. Committee members shall serve two-year terms and may serve additional terms as elected. The Finance Committee shall have access to any and all information and staff relating to the Association's financial affairs, including complete monthly financial statements. The Chairman of the Finance Committee shall provide a report at each Board meeting. The Finance Committee shall exercise oversight authority over financial reporting, investments, audit procedures, and the annual audit of the finances of the Association.

### **Section 6.4 Ethics Committee.**

The Association shall have a standing Ethics Committee constituted of at least 3 current Board members, the Board chair, and no more than one member at-large appointed by the Chair, as well as the ERA General Counsel as ratified by the Board. Committee members shall serve two-year terms and may serve additional terms as elected. The members of the Ethics Committee shall sign a confidentiality and conflict of interest statement at the commencement of their terms. The Ethics Committee shall have access to any and all information relating to the ethical affairs of the Association.

### **Section 6.5 Research Committee.**

The Association shall have a standing Research Committee constituted of at least 3 current Board members, the Board chair, and no more than two at-large, as ratified by the Board. Committee members shall serve no less than one year and not more than two-year terms. The three current Board members of the Research Committee shall be elected annually by the Board of Directors from among the members of the Board and the two at-large members shall be elected by the members of the Committee.

## **ARTICLE VII. REGIONAL BOARD REPRESENTATION**

The Board of Directors, in order to recognize regional Board chairs, approved a seat on the ERA Board of Directors. The Chair of each Regional Board shall serve on the Association's Board. Each Regional Board Chairman's term on the Board shall correspond to their term on the Regional Board but not exceed three years. The selection of these officers shall be made at the first meeting of the Directors at the commencement of the annual general meeting of the Members and after the installation of the new Directors.

## **ARTICLE VIII. OTHER COMMITTEES**

### **Section 8.1 Other Committees.**

The Board of Directors may by resolution constitute and appoint such other committees to perform such other duties and functions as the Board may deem appropriate.

### **Section 8.2 Term of Office.**

Each member of every committee shall continue in office at the pleasure of the Board of Directors.

### **Section 8.3 Chairman.**

One member of each committee shall be appointed by the Chairman, either directly by the Chairman of the Board of Directors or in such other manner as the Board of Directors or these Bylaws may prescribe.

### **Section 8.4 Quorum.**

Unless otherwise provided in the resolution of the Board of Directors designating a committee, one-third (1/3) of the members of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

### **Section 8.5 Rules.**

Each committee may adopt rules for its own government not inconsistent with the Articles of Incorporation, with these Bylaws, with rules adopted by the Board of Directors, or with any applicable law of the District of Columbia.

## **ARTICLE IX. INDEMNIFICATION OF CERTAIN PERSONS**

### **Section 9.1 Power to Indemnify.**

The Association shall have the power to indemnify any person who was or is a director or officer of the Association and who was or is a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director or officer of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had no reason to believe his conduct was unlawful. The foregoing shall not apply to matters as to which any such person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty.

### **Section 9.2 Mandatory Indemnification.**

To the extent that any person specified in Section 8.1 of this Article has been successful on the merits or otherwise in the defense of any such action, suit or proceeding, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

### **Section 9.3 Determination of Indemnification.**

Any indemnification under Section 8.1 (and, as to which, Section 8.2 is not applicable) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the appropriate person is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 8.1. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the Members.

## **ARTICLE X. CONTRACTS, CHECKS, DEPOSITS, GIFTS**

### **AND CORRESPONDENCE**

#### **Section 10.1 Contracts.**

The Board of Directors may authorize any officer or agent of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and to deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

#### **Section 10.2 Checks, Drafts, Etc.**

All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or agent of the Association, and in such manner as shall from time to time be determined by resolution of the Board of Directors.

#### **Section 10.3 Deposits.**

All funds of the Association shall be deposited from time to time to the credit of the Association in such banks or other depositories as the Board of Directors may select.

#### **Section 10.4 Approval of Annual Budget**

The Board of Directors of the Association shall approve the Association's annual budget before the next budget cycle.

#### **Section 10.5 Gifts.**

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

## **ARTICLE XI. SUNDRY PROVISIONS**

#### **Section 11.1 Fiscal Year.**

The fiscal year of the Association shall begin on the 1st day of July and shall end on the 30th day of June unless some other fiscal year is specified by resolution of the Board of Directors.

**Section 11.2 Books and Records.**

The Board of Directors may engage the services of an auditing firm to review the Treasurer’s books and statements, and to prepare annually, or more frequently if required, an operating statement, balance sheet and tax returns.

**Section 11.3 Fiscal Affairs.**

The Board of Directors and officers of the Association shall operate from a balanced budget, the primary objective of which shall be to maintain the expenditures of the Association within the limits of the Association’s cash flow.

**Section 11.4 Seal.**

The seal of the Association shall be circular in form with the name of the Association inscribed around the outer edge, and in the center shall be inscribed the word “District of Columbia” and the year of incorporation. In lieu of affixing the corporate seal to any document, it shall be sufficient to meet the requirements of any law, rule, or regulation relating to a corporate seal to affix the word “(SEAL)” adjacent to the signature of the authorized officer of the Association.

**Section 11.5 Amendments to Bylaws.**

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted only by the Board of Directors.

Certified to be a true copy:



\_\_\_\_\_  
President and CEO

Approved July 15, 2016