

NATIONAL ASSOCIATION OF SPORTS COMMISSIONS

BYLAWS

Article I -- Name

The name of this Association shall be the National Association of Sports Commissions, herein after referred to as "Association."

Article II -- Purpose

The purpose of the Association shall be:

- A. To raise the level of professionalism and participation in the sports commission industry through an ongoing educational effort.
- B. To foster and promote regional, national and international amateur sports competitions, participation and activities.
- C. To serve as a vehicle for the systematic exchange of information pertinent to the sports commission industry.
- D. To exert its collective influence in matters which may impact the national or international sports commission industry.
- E. To position the sports commission industry as an important economic generator in member communities.
- F. To provide members with special opportunities to market their communities as sports event and organization destinations.
- G. To educate the public on the sports commission industry and the economic, public relations, health and fitness aspects of sports events, facilities and activities.
- H. To encourage development of inclusive pools of talent to serve the needs of the sports commission industry.
- I. To support amateur sports and the Olympic Movement in the United States.

Article III -- Officers and Board of Directors

- A. The Officers of this Association shall be Chairman, Vice Chairman, Secretary and Treasurer.
- B. The Officers together with the Immediate Past Chairman shall constitute the Executive Committee.
- C. The Board of Directors shall consist of the Officers, the Immediate Past Chairman, twelve (12) individuals representing Active Members in good standing with the Association, and four (4) members as provided in III.D. below.
- D. The Board of Directors shall also include two (2) individuals representing Allied Members and two (2) individuals representing the Event Rights Holder Membership.

Article IV -- Election/Appointment of Officers and Directors

- A. Officers must be individuals who are representatives of Active Members of the Association and shall be elected at the Annual Meeting of the Association by a simple majority of the votes cast by the Active and Allied Members present and eligible to vote. They shall take office before adjournment of said meeting, and each shall serve a one (1)-year term.
- B. At each Annual Meeting, sufficient individuals who are representatives of Active Members to fill Active Board member positions becoming vacant at the meeting shall be elected to the Board of Directors by a simple majority of the votes cast by the Active and Allied Members present and eligible to vote. They shall take office before adjournment of said meeting and each shall serve a three (3)-year term.
- C. If any vacancy occurs among the elected Officers or the Board of Directors, the Board shall elect a person who meets the qualifications for the position to fill the vacancy at any regular or special meeting. The Officer or Director so elected by the Board shall serve until the Annual Meeting immediately following, at which time the membership will elect a member to serve for the balance, if any, of the unexpired term.
- D. The individuals who represent the Allied Members and the Event Rights Holder Membership category shall be elected at the Annual Meeting of the Association by a simple majority of the votes cast by the Active and Allied Members present and eligible to vote to hold office until the end of their regular term or until their successor is elected. These persons shall serve two (2)-year staggered terms. The election for one (1) Allied Member position and one (1) Event Rights Holder Membership position will be held in even numbered years and the election for the other positions will be held in odd numbered years.

Implementing Provision: For purposes of electing persons to fill the two (2) new Director positions created by the amendment to this Article IV.D., as adopted at the 2011 Annual Meeting of the Association, at the first meeting of the Board of Directors held

after the 2011 Annual Meeting of the Association the two (2) new vacant positions on the Board of Directors will be filled by the Board of Directors as follows (notwithstanding, in the case of the election of the new Allied Member representative, the provisions of Article IV.C. that persons elected by the Board of Directors to fill vacancies shall serve until the next Annual Meeting):

- One (1) new Event Rights Holder representative to the Board shall be elected for a term ending at the conclusion of the 2012 Annual Meeting of the Association; and
 - One (1) new Allied Member representative to the Board shall be elected for a term ending at the conclusion of the 2013 Annual Meeting of the Association.
- E. If an Officer or Board member leaves a member organization, their position as an Officer or Board Member shall be considered vacant unless they transfer directly to a position with another Association member in the same membership category and are recognized as the member representative to the Association.
- F. A Director may be removed in the event the Director misses three (3) consecutive meetings of the Board or two-thirds (2/3rds) of all meetings of the Board held in any calendar year. In addition, any Director may be removed, with or without cause, at any time by the members of the Association who elected them and any Officer may be removed, with or without cause, at any time, by the Board of Directors.

Article V -- Duties of Officers and Directors

- A. The Chairman shall be the principal elected officer of the Association; shall preside at meetings of the Association and the Board of Directors; shall appoint all committees except the Nominating Committee and those whose membership is provided by the Bylaws; and shall serve as an ex-officio member of all committees, except the Nominating Committee. Such other duties as are necessary and incident to the office, or as may be prescribed by the Board of the membership, shall be performed by the Chairman.
- B. The Vice Chairman shall be the Chairman-Elect and shall preside at meetings in the absence of or at the discretion of the Chairman.
- C. The Secretary shall be responsible for:
1. Giving proper notice of all meetings of the Association membership and Board of Directors. This responsibility may be delegated by the Secretary to the President & CEO (or other staff of the Association under the supervision of the President & CEO). Any notice may be communicated in person, by telephone, telegraph, teletype or other form of wire or wireless communication, by facsimile transmission or by mail or private carrier.
 2. Recording and distributing the proceedings of Association, Executive Committee and Board meetings.
- D. The Treasurer shall be responsible for:
1. Keeping an account of all monies received and expended by the Association, assuring that all expenditures have been properly authorized.

2. Having complete and accurate financial reports for Board meetings and the Annual Business Meeting.
- E. The Immediate Past Chairman shall serve as chairman of the Nominating Committee.
- F. The Board of Directors may promulgate Rules and Regulations governing:
 1. Association operations.
 2. The exchange of sports industry information.
 3. The activities of special and standing committees.
 4. Any function or activity of the Association not presently covered by the Bylaws.
- G. The Board of Directors shall act for the Association between Annual Meetings.
- H. The Board of Directors shall establish the dues for all categories of membership in the Association.
- I. The Board may suspend, expel or reinstate any member of the Association in accordance with provisions of the Bylaws.

Article VI -- Board of Directors Meetings

- A. The Board of Directors shall meet at least twice each calendar year, with one meeting to be held immediately prior to the Annual Meeting and the other to be held at a place and time to be determined by the Chairman and/or the Board of Directors. Written notice of said meeting shall be given to all Directors at least sixty (60) days prior to the dates of said meetings. Special meetings of the Board of Directors may be called upon request of Directors upon giving at least thirty (30) days written notice to all Directors.
- B. A simple majority of the Board of Directors shall constitute a quorum for the purpose of conducting business.
- C. All members of the Board of Directors shall have the right to vote on all actions of the Board except that no Director shall be permitted to vote by proxy.
- D. All actions of the Board of Directors shall require an affirmative vote by a simple majority of the Directors present.
- E. All Association members will be notified of each meeting of the Board of Directors, in order that they may have the opportunity to attend Board meetings as "Friends of the Board," except that the Board may exclude non-Board members from its executive sessions.
- F. Minutes of the Board meetings shall be posted in the members only section of the Association's website.
- G. Meetings by Telephone. Members of the Board of Directors or any committee thereof may participate in a meeting of the Board or committee by, or conduct the meeting through use

of, any means of communication by which all persons participating may simultaneously hear each other during the meeting. Such participation shall constitute presence in person at the meeting.

- H. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Directors or any committee thereof may be taken without a meeting if the action is taken by all Directors. The action shall be evidenced by one or more written consents signed by each Director or committee member entitled to vote with respect to the subject matter thereof describing the action taken, and shall be included in the minutes or filed with the Association's records reflecting action taken. Such consent (which may be signed in counterparts) shall have the same force and effect as a unanimous vote of the Directors or committee members.

Article VII -- Committees

The Association shall have the following committees, and the Board of Directors may, by a majority vote, create other committees and appoint their members. The creation, delegation of authority to or action by a committee shall not operate to relieve the Board of Directors or any member of the Board from any responsibility imposed by law or alone constitute compliance by a Director with the applicable standards of conduct. No committee of the Board may (i) authorize distributions, (ii) recommend to members or approve the dissolution, merger or the sale, pledge or transfer of all or substantially all of the Association's assets, (iii) elect, appoint or remove Directors or fill vacancies on the Board of Directors or on any of its committees or (iv) adopt, amend or repeal the Association's Articles of Incorporation or these Bylaws. Procedures for meetings of any committee shall be as established by the Board of Directors or, in the absence thereof, by the committee itself.

- A. Executive Committee
1. The Executive Committee shall be composed of the Officers and the Immediate Past Chairman of the Association. The Chairman of the Association shall serve as the chairman of the Executive Committee.
 2. The Executive Committee shall: Manage the affairs of the Association and act on behalf of the Board of Directors between meetings of the Board and serve as the official liaison between the Association and publications, governmental agencies, organizations or individuals on matters affecting the general welfare of the sports event travel industry as a whole, unless such liaison shall be assigned to an individual or a committee by the Association or its Board of Directors.
 3. Action by the Executive Committee shall be subject to approval by the Board of Directors.
 4. The Executive Committee members shall be required to travel to and attend two (2) Executive Committee meetings each year. The Association shall be responsible for the travel expenses of the Executive Committee members for traveling to and attending the required two (2) Executive Committee meetings.
- B. Nominating Committee
1. The Nominating Committee shall be composed of seven (7) members including the Immediate Past Chairman; two (2) of whom are presently serving on the Board of Directors, but not as Officers; one (1) of whom is a representative of

2. Allied Members and one (1) of whom is a representative of Event Rights Holder Members. The Immediate Past Chairman shall serve as its chairman.
 2. At least ninety (90) days prior to the Annual Meeting of the Association, the Immediate Past Chairman shall appoint the members of the Nominating Committee. The Immediate Past Chairman shall also replace any Nominating Committee member who becomes a viable candidate for office.
 3. The Nominating Committee shall recommend candidates for each Officer position of the Association and each position on the Board of Directors. The Nominating Committee shall consider prior service on the Board of Directors for nominees to the Executive Committee.
 4. The Nominating Committee shall disband following the completion of the elections at the Annual Meeting of the Association.
- C. Sports Legacy Committee
1. The Sports Legacy Committee shall be composed of five (5) voting members.
 - a. One (1) of the members shall be the Treasurer of the Association, who shall serve *ex-officio* as a voting member of the Committee.
 - b. The other four (4) members shall be appointed by the Chairman of the Association and each must be a current or past member of the Association's Board of Directors. These members of the Sports Legacy Committee will serve a term of one (1) year and can be reappointed for additional terms, without any limit on the number of terms that may be served. The NASC Board shall have the power to remove any member of the Sports Legacy Committee, with or without cause.
 - c. The Chair of the Sports Legacy Committee shall be appointed by the Chairman of the Association.
 2. The Association's President & CEO shall serve *ex-officio* as a non-voting member of the Sports Legacy Committee.
 3. The Sports Legacy Committee shall serve in an advisory capacity to the Association's Board of Directors for the purpose of making recommendations to the Board of Directors with respect to the investment of funds held in the Sports Legacy Fund and the expenditure of funds from the Sports Legacy Fund. Only the Association Board of Directors shall have the authority to approve or direct investment and expenditure of funds held in the Sports Legacy Fund.
 4. All funds held in the Sports Legacy Fund shall be maintained in one or more segregated accounts that are separate from the general and other funds of the Association.

Article VIII -- Organization Manager - President & CEO

- A. The Board of Directors may employ organization management and administrative services ("Organization Manager") with form of services, duties, term and compensation as set by the Board.
- B. An employee of the Organization Manager may be designated as President & CEO of the Association.

- C. The Association's Board of Directors must approve the selection of the President & CEO by a two-thirds (2/3rds) majority.

Article IX -- Membership

- A. Categories of Membership
 - 1. There are three (3) categories of membership:
 - a. *Active Members*: An organization located in a given city, metropolitan area or urban unit, region, state, nation, commonwealth, territory, or other political subdivision (each, for purposes of the Association's Articles of Incorporation and these Bylaws, a "community") which solicits and services sports events, sports organizations, and sports facilities and other types of sports-related activities in that community.
 - b. *Allied Members*: Organizations, to include multi-sports organizations, colleges and universities and the like and persons or firms providing equipment, services, or attractions to the field served by the Association (*i.e.*, sports marketing companies, consulting and/or architectural firms, sports equipment manufacturers, facility management or food service companies, conferences, leagues, and similar organizations).
 - c. *Event Rights Holders*: Organizations, firms or persons which hold rights to events and activities within the purposes and field of activity of the Association.
- B. Membership in the Association shall be vested in member organizations of the Association in good standing. Each member organization shall designate, in writing, to the Association's Secretary the name of the principal executive of the member organization or other individual within the member organization who will serve as its representative.
- C. The terms "Members" or "Membership" may be used to designate an organization, its principal executive or both.
- D. Members shall:
 - 1. Have full and sole authority to represent that organization in activities and affairs of the Association, and to make commitments to and agreements with the Association that will be binding on the organization.
 - 2. Have completed the application process outlined in Article XI, A, B, C.
 - 3. Be allowed to serve on Association Committees.

Article X -- Dues and Assessments

- A. Membership dues, as established by the Board of Directors, shall be payable on the first day of January for the ensuing year and shall be considered delinquent if not paid by April 1st.
- B. Any member whose dues are not paid during the prescribed period shall be subject to expulsion by the Board of Directors. It shall be within the discretion of the Board to grant an extension during which payment may be made.

- C. Assessments may be made for special purposes if recommended by the Board of Directors and if approved during the Annual Meeting by an affirmative vote of two-thirds (2/3rds) of the members present and eligible to vote.

Article XI -- Membership Application and Approval

- A. Applications for membership shall be made on an application form which has been approved by the Board of Directors. The application shall be accompanied by dues payable in accordance with a new-Member dues policy as established by the Board of Directors.
- B. Applicants shall be provided a copy of the Association's Bylaws. The membership application form shall contain a statement indicating that the applicant:
 - 1. Has read and agrees to abide by the Bylaws and applicable rules, policies and procedures of the Association.
 - 2. Agrees that in their dealings with the Association and its members they will conduct themselves in an ethical manner, in furtherance of the purposes, mission and activities of the Association and will not engage in activity which is detrimental to the interests of the Association.
- C. Applications shall be submitted to the Association's President & CEO and will be accepted if the Applicant fits the description of the category for which it has applied. Should the Applicant belong in a different category, the President & CEO will notify the Applicant in writing and hold action on the application until the Applicant agrees to the change in category.

Article XII -- Resignation, Suspension and Expulsion from Membership

- A. A member in any category may voluntarily resign from the membership by submitting a letter of resignation to the Officers, Board of Directors or the Executive Committee.
- B. A member in any category may be suspended or expelled by the Board of Directors for (i) violation of these Bylaws or any applicable rules, policies and procedures of the Association, (ii) violation of the requirements of membership as specified in these Bylaws or the Application for membership, or (iii) conduct considered by the Board of Directors to be detrimental to the interests of the Association or otherwise of sufficient gravity to warrant such action, but subject to the following conditions:
 - 1. Such member shall be notified in writing of the proposed action, the reason(s) for the proposed action, and the date the Board of Directors will consider the proposed action. Such notification shall be:
 - a. By registered mail.
 - b. Sent to the member not less than thirty (30) days prior to the date the Board of Directors will consider the proposed action.
 - 2. Such member shall have the right to submit a written response to the Board of Directors, which response must be received by the Association no less than five (5) days prior to the date that the member has been notified as the date the Board will consider the proposed action.

3. Based on the foregoing, the Board may take action to suspend or expel the member or may conduct such further investigation as it deems appropriate prior to taking action on the proposed suspension or expulsion.
- C. Upon finding of special circumstances or hardship, the Board of Directors may approve a pro-ration of annual dues, provided, however, that any member suspended or expelled by the Board for conduct warranting such action shall not be entitled to any pro-ration of annual dues.

Article XIII -- Meeting of Members

- A. The Annual Meeting of the Association shall be held at such place and on such dates as shall be decided by the Board of Directors.
- B. Written notice shall be given to all members of the place, date and time of the Annual Meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting. If notice is mailed by other than first class, registered or certified mail, no less than thirty (30) days' notice must be provided.
- C. Attendance at the Annual Meeting shall be encouraged and expected for all members.
- D. If a quorum is present, the affirmative vote of a majority of the votes cast is the act of the members unless a higher percentage vote is required by these Bylaws. The presence of twenty percent (20%) of the membership eligible to vote on Association business shall constitute a quorum for the purpose of conducting business during any meeting of the members.
- E. Each Active and Allied Member shall have one vote, which may be cast only by the member, without the right of proxy.
- F. With proper identification and having paid the appropriate registration fee, member's staffs or officers or committee members of member organizations may participate in all meeting functions and attend all meeting sessions other than executive sessions.
- G. The Annual Meeting shall be held in a community represented by an Active Member in good standing.
- H. Other Meetings of the Members
1. Regular Meetings. Regular meetings of the membership may be held in addition to the Annual Meeting, at such time, date and place as established by resolution of the Board of Directors.
 2. Special Meetings. Special meetings of the membership may be called at any time, upon notice sent by means permitted by these Bylaws and sent not less than five (5) days before the meeting, as follows:
 - a. On call of the Board of Directors; or
 - b. Within thirty (30) days after the members holding at least ten percent (10%) of all the votes entitled to be cast on any proposal to be considered at the proposed special meeting sign, date and deliver to the Association's

Secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held. Only those matters that are within the purpose or purposes described in the meeting notice may be acted upon at a special meeting of members.

Article XIV -- Voting Rights

- A. At the Annual Meeting, prior to the conduct of meeting business, each Active and Allied Member organization shall designate the individual to cast the vote of the organization.
- B. Active Members: Active Members in good standing shall be entitled to one (1) vote on any question placed before the membership.
- C. Allied Members: Allied Members in good standing shall be entitled to one (1) vote on any question placed before the membership.
- D. Event Rights Holders: Event Rights Holder Members shall not be entitled to vote.

Article XV -- Amendments

- A. The Bylaws of the Association may be amended only during an Annual Meeting.
- B. Members wishing to amend the Bylaws must submit proposed amendments in writing, specifying the amendment and particular bylaw(s) to be amended, to the Association's Chairman by sixty (60) days prior to the Annual Meeting during which they are to be considered.
- C. A copy of the proposed Bylaw amendments shall be delivered to members by notice communicated at least thirty (30) days prior to the Annual Meeting during which they are to be considered and must be presented during the Annual Meeting as delivered.
- D. Proposed amendments to the Bylaws shall require an affirmative vote by two-thirds (2/3rds) of the Active Members and Allied Members present and eligible to vote.

Article XVI -- Parliamentary Authority

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these Bylaws.

Article XVII -- Fiscal Responsibility

- A. The fiscal year of this Association shall begin January 1 and end December 31 of that year.
- B. The Board of Directors shall make lawful and adequate provisions for sound fiscal policies and practices of the Association, including the preparation of an annual financial report and adequate fidelity bonding of officers and employees entrusted with the

handling of funds or property of the Association. The annual financial report shall be posted in the Members Only section of the Association's website.

Article XVIII -- Logo

- A. The Association shall have a logo, approved by the Board of Directors.
- B. Members may utilize the Association's logo to reflect membership in the organization.

Article XIX -- Liability

Nothing herein shall constitute members of the Association as partners for any purpose. No member, Officer, Director, agent or employee of the Association shall be liable for the acts or failure to act on the part of any Officer, Director, agent or employee of the Association; nor shall any members, Officers, Directors, agents or employees be liable for their acts or failure under these Bylaws except for actions or failures to act arising out of their willful malfeasance.

Article XX -- Standard of Conduct for Directors

- A. Each Director shall discharge his or her duties as a Director, including without limitation their duties as a member of any committee, (i) in good faith, (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the Director reasonably believes to be in the best interests of the Association. A Director is not liable for any action taken as a Director, or any failure to take any action, if the Director performed their duties in compliance with the provisions hereof. A Director shall not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.
- B. In discharging their duties, a Director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by the persons designated below. However, a Director shall not be entitled to the benefits of this provision if the Director has actual knowledge concerning the matter in question that makes such reliance unwarranted. The designated persons on whom a Director is entitled to rely are: (i) one or more Officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, public accountants, or other person as to matters which the Director reasonably believes to be within such person's professional or expert competence; or (iii) a committee of the Board of Directors of which the Director is not a member if the Director reasonably believes the committee merits confidence.
- C. The provisions of this Article XX are intended to always be consistent with and to incorporate applicable provisions of the North Carolina Nonprofit Corporation Act as in effect and amended from time to time.

Article XXI-- Conflict of Interest Transactions

- A. As used in this Article XXI:
1. A conflict of interest transaction means a transaction with the Association in which a Director of the Association has a direct or indirect interest.
 2. A Director of the Association has an indirect interest in a transaction if:
 - a. Another entity in which the Director has a material financial interest or in which the Director is a general partner is a party to the transaction; or
 - b. Another entity in which the Director is a director, officer, or trustee is a party to the transaction and the transaction is or should be considered by the Board of Directors of the Association.
- B. A conflict of interest transaction is not voidable by the Association solely because of the Director's interest in the transaction if any one of the following is true:
1. The material facts of the transaction and the Director's interest were disclosed or known to the Board of Directors or a committee of the Board, and the Board of Directors or the committee authorized, approved, or ratified the transaction by the affirmative vote of a majority of the Directors on the Board of Directors (or on the committee) who have no direct or indirect interest in the transaction provided that a transaction shall not be authorized, approved, or ratified under this Section by a single Director.
 - a. If a majority of the Directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this Section.
 - b. The presence of, or a vote cast by, a Director with a direct or indirect interest in the transaction does not affect the validity of any action taken hereunder if the transaction is otherwise authorized, approved, or ratified as provided herein.
 2. The material facts of the transaction and the Director's interest were disclosed or known to the members of the Association entitled to vote and they authorized, approved, or ratified the transaction by a majority of the votes entitled to be cast.
 - a. Votes cast by or voted under the control of a Director who has a direct or indirect interest in the transaction, and votes cast by or voted under the control of an entity described in subparagraph A.2. of this Section, shall not be counted in a vote of members to determine whether to authorize, approve, or ratify a conflict of interest transaction hereunder.
 - b. A majority of the votes, whether or not present, that are entitled to be cast in a vote on the transaction hereunder constitutes a quorum for the purpose of taking action hereunder.
 3. The transaction was fair to the Association.
- C. No loan, guaranty, or other form of security shall be made or provided by the Association to or for the benefit of its Directors or Officers.
- D. The provisions of this Article XXI are intended to always be consistent with and to incorporate applicable provisions of the North Carolina Nonprofit Corporation Act as in effect and amended from time to time.

Article XXII – Indemnification

- A. The Association declares that any person who serves at its request as a Director, Officer, employee or agent of the Association shall, in such capacity, be subject to indemnification under the provisions of this Article in accordance with and to the fullest permitted by the provisions of the North Carolina Nonprofit Corporation Act, as hereafter amended from time to time, and the corresponding provisions of any subsequent law (for purposes of this Article referred to as the "Act" and the indemnification provisions of which are incorporated herein by this reference). Any such person shall be indemnified by or on behalf of the Association against expenses (including attorneys' fees), liability, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of such service if such person: (i) conducted himself or herself in good faith, (ii) reasonably believed, in the case of conduct in an official capacity with the Association, that the conduct was in the best interests of the Association and, in all other cases, that the conduct was at least not opposed to the best interests of the Association, and (iii) in the case of any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful.
- B. No person shall be entitled to indemnification under Section A. of this Article either: (i) in connection with a proceeding brought by or in the right of the Association in which such person was adjudged liable to the Association or (ii) in connection with any other proceeding charging improper personal benefit to such person, whether or not involving action in that person's official capacity, in which such person is ultimately adjudged liable on the basis that the person improperly received personal benefit.
- C. Any indemnification under Section A. of this Article shall be made by the Association only as authorized in each specific case upon a determination that indemnification of the person is permissible under the circumstances because such person met the applicable standard of conduct set forth in Section A. Such determination shall be made by the Board of Directors by a majority of a quorum of disinterested Directors not at the time parties to the proceeding or, if such a quorum cannot be obtained, in a manner otherwise prescribed by the Act. Notwithstanding the prohibitions on indemnification set forth in Section B. of the Article, indemnification may be made by the Association to the extent that the court in which the subject action or proceeding was brought shall determine upon application that, despite the adjudication of liability or guilt, but in view of all the circumstances of the case, a person referred to in Section A. of this Article is entitled to indemnity for such expenses and other amounts which the court may deem proper.
- D. The Board of Directors may exercise the Association's power to purchase and maintain insurance (including, without limitation, insurance for legal expenses and costs incurred in connection with defending any claim, proceeding or lawsuit) on behalf of any person referred to in Section A. of this Article against any liability asserted against or incurred by such person in the capacity designated or arising out of the person's status as such, whether or not the Association would have the power to indemnify that person against such liability under the provisions of this Article.

- E. The indemnification provided under Section A. of this Article shall continue as to persons who have ceased to serve in the capacity designated with respect to actions in their official capacity while serving as such and shall inure to the benefit of their heirs, executors and administrators.

Article XXIII -- Rescission

Any action of the Association, its Board of Directors or its representatives may be rescinded or changed during the Annual Meeting by an affirmative vote of two-thirds (2/3rds) of the Active Members and Allied Members present and eligible to vote, provided a quorum is present and further provided that no rights or acts of third parties shall be adversely affected thereby.