

PACIFIC INTERMOUNTAIN PARKING & TRANSPORTATION ASSOCIATION BYLAWS

(as revised and adopted, February 9, 2021)

ARTICLE I – NAME & ASSOCIATION

The name of the organization shall be the Pacific Intermountain Parking & Transportation Association, hereinafter referred to as the “Association”. This Association is a nonprofit Association for the public benefit and is chartered under the provisions of the State of Washington. The Association shall observe all local, state and federal laws that apply to a nonprofit organization as defined in Section 501(c) (6) of the Internal Revenue Code. The Association shall maintain an affiliation with the International Parking Institute and other organizations deemed beneficial to its purpose.

ARTICLE II – PURPOSE AND OBJECTIVES

The purpose of this Association shall be to provide a mutual support network and environment for the professional interaction, growth and development of officials directly involved in the operation of parking and transportation programs, including but not limited to colleges and universities, municipalities, transit agencies, airport authorities, medical centers, civic centers and other owner-operated providers of parking generally in the states of Alaska, Colorado, Hawaii, Idaho, Montana, Oregon, Utah, Washington, Wyoming and contiguous areas of the Pacific Northwest.

The objectives of this Association are to provide an open forum for discussion of common problems and concerns, sharing information and technical knowledge, and staying abreast of parking and transportation related issues. Notwithstanding the above sections, the Association shall be nonpartisan and nonsectarian; shall take no part in, or lend its support to, the election of any candidate for public office; shall not endorse competing models of parking equipment, supplies or services; and shall not tender preference for, or endorse any specific management professional or consultation service provider or agent.

ARTICLE III – MEMBERSHIP

Section 1. Classes

There shall be four classes of membership: Regular, Associate, Affiliate, and Frontline/Student. To be eligible in any class, in addition to other requirements as set forth in these Bylaws, the purpose of a member must not be in conflict with the purpose and objectives of the Association.

A. Regular Members shall be municipalities and other governmental bodies, parking authorities, boards, bureaus, commissions, departments, colleges, universities, airports, hospitals, private operators and transit agencies or other institutions having similar responsibility for the establishment, operations, maintenance, control or direction of public or private parking or transportation.

B. Associate Members shall be additional representatives of the Regular or Affiliate members or any other individual, association or organization that the Board of Directors (Board) may elect.

C. Affiliate Members shall be associations, consultants, businesses or individuals engaged in supplying goods or services in the parking and transportation fields or interested in, or connected with, the operation and development of public parking or transportation, whether for profit or otherwise, and who support the objectives of the Association.

D. Frontline/Student Members shall be individuals who qualify for membership in the Regular or Affiliate membership classes and are classified as "non-exempt" under the Fair Labor Standards Act and that have no supervisory responsibilities. Members of this class may also be a student engaged in an educational two- or four-year degree accredited program. Student members shall not be presently employed in the parking, transportation, or supporting industries except for positions classified as student employment by the institution they are attending.

E. Regular and Affiliate Group memberships may be offered by the Association.

Section 2. Voting Rights

Regular, Affiliate and Associate Members shall have the right to vote on any matter submitted to a vote of the members. If group memberships are made available by the Board, the number of voting members for each Regular or Affiliate Group shall not exceed three (3).

Section 3. Motions

Regular, Affiliate and Associate Members shall have the right to move a proposal at the Annual or special meetings of the Association. Any member may participate in discussion at Annual or special meetings of the Association.

Section 4. Dues

Annual dues shall be as established by the Board. All members shall pay dues annually on a calendar basis. Dues are not refundable other than for inadvertent duplication or unauthorized admission. Termination for nonpayment of dues and reinstatement where payment of the current year's dues is made shall be in accordance with Section 6 of this article.

Section 5. Admission

Application for membership shall be submitted to the Secretary. Admission shall be subject to the approval of the Board. The Board shall report to the Annual Meeting on those applications accepted for membership.

Section 6. Termination

A. Membership in any class may be terminated by the member upon written resignation with the Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues or other charges owed the Association on the date of resignation.

B. The Board may, by a two-thirds affirmative vote of all Directors, suspend or expel a member for cause after a hearing at which the member had the opportunity to respond to charges. Cause shall include, but not be limited to, circumstances where a member is found to

have acted in a manner prejudicial to the purpose, objectives, or successful operation of the Association. Suspension shall be for a period deemed appropriate by the Board and 3 specified in its action, and not to exceed 12 contiguous months. The expulsion period shall be specified in the action taken by the Board, for a period of not less than 12 contiguous months.

C. Any member who is 30 days past due on their Association dues shall have their membership automatically suspended. If a member is within the 30-day period after their payment due date for their annual dues, and has not yet paid their dues, their voting right will be suspended until their dues are paid for the current fiscal year.

D. The Board may, by a two-thirds affirmative vote of the Board, reinstate a former member who was suspended or expelled for cause under section III.6.B above.

Section 7. Transfer of Membership

Membership in this Association is not transferable or assignable

ARTICLE IV – MEETINGS OF MEMBERS

Section 1. Annual Meeting

The membership shall hold an Annual Meeting at least once a year at such time and place as may be determined by the Board. The membership shall be advised, either by assembly or by mail, a reasonable time in advance of the location, date, and time of the Annual Meeting.

Section 2. Annual Business Meeting

An Annual Business Meeting shall be held at least once per fiscal year. The Annual Business Meeting may consist of one or more sessions at the Annual Meeting for the purpose of selecting Directors and such other business as may come before the meeting attendees.

Section 3. Special Meetings

The Board may call special meetings of the membership at such time and place as may be deemed necessary. Written notice of the place, date, time, and location of a special meeting shall be delivered to each member entitled to vote at such meeting not less than thirty days before the meeting date. The purpose of the special meeting shall be stated in the aforementioned notice.

Section 4. Notice of Meetings

Notice of a meeting shall be deemed delivered when deposited in the United States mail or sent via electronic mail (e-mail), so long as it is addressed to the member at their address as it appears on the records of the Association.

ARTICLE V - BOARD

Section 1. General Powers

The Board of Directors (Board) shall manage the affairs of the Association.

Section 2. Composition

A. Number

The Board shall be comprised of elected Directors and the maximum number of Directors shall be seventeen. The number of Directors shall be fixed by resolution of the Board. Along with officers, there shall be two types of Directors: Regular Member Directors and Affiliate Member Directors. Affiliate Members shall fill a minimum of two (2) Director positions on the Board. The Board shall consist of no less than fifty-one percent Regular Members.

No decrease in the number of Directors shall have the effect of shortening the term of any Director. In the event that the number of Directors is increased and new Directors are appointed, the term will extend to the next Annual Meeting of the membership.

B. Qualifications

Except as provided in this Article, Regular, Affiliate, or Associate Members may be elected to, or serve as a member of, the Board. No more than two members representing each municipality, college or university campus, hospital or medical center, airport, or other membership types shall serve concurrently as a member of the Board.

Section 3. Term of Office

Except as hereinafter provided, Directors shall be elected for a term of four years. The elections shall be conducted in such a manner that the terms of approximately one-quarter of Directors expire each year. If a Director is elected to fill an unexpired term after a resignation, their term will only be for the remainder of that unexpired term. For the purpose of this section, a year shall comprise the period from the end of one Annual Meeting to the end of the next Annual Meeting.

Section 4. Election of Directors

A. Determination of Vacancies At least ninety days before the Annual Meeting, the Secretary shall determine the number of Director vacancies to be filled and the terms of office thereof.

B. The Finance and Administration Committee shall prepare a list of nominees from the list of members in good standing providing at least two more nominees than vacancies, and, when feasible, two nominees for each vacancy, and shall secure the prior consent of each nominee. In preparation of the list of nominees, the Finance and Administration Committee shall take into consideration and attempt to reflect in its selection of nominees from the membership the ratio of municipal, institutional, airport, and hospital members to the total membership. The Finance and Administration Committee's final nominations report shall be approved by the Board prior to issuance of ballots.

C. Ballots

Not later than twenty days before the Annual Meeting the Secretary shall forward to all Regular, Affiliate, and Associate Members a ballot listing those individuals of the appropriate membership class nominated according to these Bylaws.

D. Return of Ballots

Ballots shall be returned to the Secretary by the ballot due date.

E. Required Votes Those candidates receiving the highest number of votes sufficient to fill the number of vacancies declared under Section 4.A of this Article shall be declared elected. In the event of a tie for the final vacancy, the outgoing Board shall decide by a majority vote between the tied candidates and declare which candidate is elected.

F. Additional Items on the Ballot

The Board may instruct the Secretary to include a ballot on such issue or issues which the Board chooses to refer to the membership.

Section 5. Election of Affiliate Members

The method of election of Affiliate Members of the Board shall be held in accordance with Section 4 of this Article.

In preparation of its list of nominees for Affiliate members of the Board, the Finance and Administration Committee may solicit nominees from among all members in good standing of this membership class. The Finance and Administration Committee's final list of nominees for each position shall contain no more than five nominees.

Section 6. Meetings

There shall be at least one meeting of the Board to be held in conjunction with the Annual Meeting. No notice other than these Bylaws is required.

Section 7. Special Meetings

Special meetings may be called by a majority of the Board or by the Chair of the Board and Association.

Section 8. Notices

Notice of special meetings of the Board shall be delivered to each Director, at their current address shown by the records of the Association, not less than ten days prior to the special meeting date. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail. If notice is given by e-mail, such notice shall be deemed to be delivered when the e-mail is posted by the originator. Notice of any special meeting of the Board may be waived in writing signed by the person or persons entitled to the notice, either before or after the time of the meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not called or convened in accordance with these Bylaws or by law. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of waiver or notice of such meeting, unless specifically required by law or these Bylaws.

Section 9. Quorum

A quorum is the minimum number of Directors who must be present at a Board meeting to conduct the business of the Association. A majority of Directors shall constitute a quorum.

Section 10. Manner of Acting

Each Director shall have one vote for every Board action. Except where otherwise provided, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board; however, in no case shall a motion be passed unless there are at

least a number of affirmative votes equal to a majority of Directors present, i.e. equal to a quorum.

Section 11. Proxy Voting

Votes may be cast by proxy for a Director absent from a Board meeting. The agenda items associated with each proxy vote as the absent Director may wish to cast must be specified in writing prior to the meeting and submitted to the Secretary, and shall be limited to items appearing on the formal agenda of that meeting. Such proxy votes shall be cast by the Secretary in accordance with the written instructions of the absent member.

Section 12. Vacancies

When a vacancy occurs on the Board it may be filled for the balance of the unexpired term either by (1) a member selected from the appropriate membership class and upon a vote of the Board, or (2) deferred to an election of Directors by the membership in accordance with Article V.

ARTICLE VI - OFFICERS

Section 1. General

The officers of the Association shall be: Chair, Vice Chair, Secretary, Treasurer, Immediate Past Chair, and Chief Technology Officer. Such other officers and assistant officers as may be deemed necessary may be established and appointed by resolution of the Board.

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Section 2. Election

The Board shall elect from its membership the Chair, the Vice Chair, the Secretary, and the Treasurer of the Association. Directors interested in serving as an officer must state their interest to the Chair and Secretary. Nominations for officer may be made by the person willing to serve as an officer or by any other Director and must be seconded by at least one other member of the Board of Directors. Election of all officer positions shall be by majority vote and will be held by anonymous ballot at the first meeting of the newly elected Board which shall be called by the Chair as soon as feasible, and in any case not more than sixty days after the Annual Business Meeting.

Section 3. Term of Office

The term of office for officers shall be two years. All officers may be reelected to the same office or any other office which they have previously held, with the exception of the Chair, who may not be elected to that office for more than two consecutive two-year terms.

Section 4. Removal

The Board may, by a two-thirds affirmative vote, remove any officer or agent whenever in its judgment the best interests of the Association will be served thereby. Provided, however, that such removal shall be without prejudice to the contract rights, if any, of the person so 7

removed. Election or appointment of an officer or agent shall not, of itself, create contract rights.

Section 5. Chair

The Chair shall be the principal elected officer of the Association. The Chair is the chief executive officer of the Association and is responsible to the Executive Committee and the Board for the implementation and administration of policies set by those bodies. He or she provides overall guidance on all Association matters and leadership to the volunteer activities of the members.

The Chair is the chief spokesperson for the Association and has primary responsibility for maintaining cooperative relationships with other organizations. He or she shall emphasize maintaining a cooperative relationship between the Association and its partners.

The Chair, in coordination with the Vice Chair, is responsible for maintaining continuity of ongoing programs and initiating new programs as required. He or she will work to set Association goals and objectives for implementation. The Chair shall periodically report to the Executive Committee regarding his/her Association activities and is responsible to ensure that goals and objectives are communicated to the membership, including reports at the Annual Meeting and various Board meetings.

The Chair has final authority and responsibility for all matters of the Association not specifically reserved by and to the Executive Committee and/or the Board. Except as otherwise provided in these Bylaws, the Chair is responsible for calling and conducting meetings of the Board, the Executive Committee, and membership, as well as establishing the agendas for those bodies.

The responsibilities of the Chair are to:

- » Identify current professional issues and proposed resolutions and see that basic procedures and programs that further the goals and objectives of the Association are planned, formulated, and executed.
- » Make policy decisions on behalf of the Board, but only when it is not reasonably feasible to consult in advance with the Board or the Executive Committee, in which case the Chair should seek ratification from the Board or Executive Committee at the next meeting of that respective body.
- » Support and direct implementation of policies and programs adopted by the Board and Executive Committee.
- » Communicate to the Board progress in achieving the goals and objectives of the Association.
- » Appoint committee chairs.
- » Serve in an ex-officio capacity on all committees.

- » Provide direction for the Past Chairs Council.

Section 6. Vice Chair

The Vice Chair shall assist the Chair in the discharge of the duties of the office as the Chair may direct and shall perform such other duties as from time-to-time may be assigned by the Chair, by the Board, or by these Bylaws. In the absence of the Chair, or in the event of the Chair's inability or refusal to act, the Vice Chair shall perform the duties of the Chair and, when so acting, shall have all the powers of and be subject to all restrictions upon the Chair.

The responsibilities of the Vice Chair are to:

- » Assume the duties of the Chair in the event of his or her absence, or unwillingness or inability to serve.
- » Serve on the Executive Committee.
- » Assume responsibilities delegated or assigned by the Chair.
- » Chair the Conference Committee and, subject to delegation of contracting authority from the Executive Committee or Board, exercise all duties and responsibilities necessary to that role.
- » Serve in an ex-officio capacity on all committees.

Section 7. Secretary

The Secretary shall perform all duties incident to the office of the Secretary and such other duties as from time-to-time may be assigned by the Chair, by the Board, or by these Bylaws. In the absence of the Chair and Vice Chair, the Secretary shall preside.

The responsibilities of the Secretary are to:

- » Ensure compliance with the Association's current records retention policy.
- » Prepare the minutes of all meetings of the Board, and Executive Committee, and ensure that copies of said minutes are e-mailed to Directors.
- » Collect the minutes of all committee meetings and ensure that copies of committee minutes are e-mailed to Directors.
- » Determine that quorum requirements, as prescribed by these Bylaws, are met for all meetings of the Board and Executive Committee.
- » Co-chair the Finance and Administration Committee.
- » Maintain the Association's Bylaws and Board Handbook and Policy Manual.

- » Oversee the Association's election process, unless doing so would present a conflict of interest in which case the Treasurer shall assume that responsibility.

Section 8. Treasurer

The Treasurer shall perform all duties incident to the office of the Treasurer and such other duties as from time-to-time may be assigned by the Chair, by the Board, or by these Bylaws. The Treasurer shall have charge of the funds, accounts, and fiscal affairs of the Association, subject to direction or review by the Executive Committee and Board. The Treasurer shall furnish such reports and statements in a timely manner as the Executive Committee or Board may direct.

It shall be the duty of the Treasurer to:

- » Have charge of all monies, securities and papers of pecuniary value to the Association.
- » Collect all amounts due to the Association and deposit same, in the name of the Association, in a bank or trust company to be designated by the Board.
- » Make disbursements of funds upon presentation of vouchers approved in the manner directed by the Executive Committee.
- » Invest available funds of the Association in such investments as may be designated by the Board in accordance with the investment policy or policies adopted by the Board.
- » Keep suitable books of account. Said books of account shall be closed annually as of the last day of the Association's fiscal year and submitted to the auditor appointed by the Board as soon as complete.
- » Submit interim financial statements to the Board and/or the Executive Committee as may be appropriate, and to report on matters affecting the finances of the Association.
- » Surrender all funds and property of the Association to his/her successor upon that successor's election to the Board.
- » Oversee administration of the budget and periodically present the financial statements with explanation of budget variances to the Executive Committee and Board, and when specifically directed to do so by the Executive Committee or Board.
- » No later than the date established by the Finance and Administration Committee, submit a proposed annual budget to the Board for approval.
- » Serve as a member of the Executive Committee and assume other duties as delegated by the Chair, Executive Committee, or Board.
- » Plan for the current and future financial resource requirements of the Association, and make appropriate reports to the Executive Committee.
- » Serve as Co-Chair of the Finance and Administration Committee.

- » Ensure that federal and/or state reporting requirements required by the Association's 501c(6) status are met.
- » Support audit processes outlined in these Bylaws, the Association's Policies, or instituted on an ad hoc basis by the Board.

Section 9. Immediate Past Chair

The Immediate Past Chair shall serve as an ex-officio, nonvoting member of the Board and advise the Chair in the discharge of his/her duties, and shall perform such other duties as from time-to-time may be assigned by the Chair, by the Board, or by these Bylaws. The Immediate Past Chair will chair and administer the Past Chairs Council. The term of the Immediate Past Chair will end at the point of succession of the office of Chair. In the event that the outgoing Chair or the incumbent Immediate Past Chair is unwilling or unable to serve as Immediate Past Chair, the position will remain vacant until another succession of the office of Chair occurs.

In event that the past chair is also a current Director, then the past chair will be a voting member of the Board.

Section 10. Chief Technology Officer

The Chief Technology Officer (CTO) is appointed annually by the Chair and confirmed by the Board. The CTO acts as a consultant to the Board and serves as an ex-officio, nonvoting member. The CTO is responsible for the specification and administration of the Association's information technology resources, including association management software and website.

ARTICLE VII- COMMITTEES

Section 1. General

Committees shall be established as provided in these Bylaws. Except as otherwise provided, the Chair shall name the chairperson and members of all committees; however, the Chair may delegate to the chairperson of any committee the authority to appoint additional members. If a person specified by these Bylaws to act as chairperson of a committee is unable or unwilling to act, the Chair shall appoint another member subject to the approval of the Board. Except as otherwise provided in these Bylaws, individuals of any membership class may be appointed to a committee.

Section 2. Executive Committee

A. Composition

The Executive Committee shall be comprised of the Chair, Vice Chair, Secretary, Treasurer, and other members as prescribed by these Bylaws. The Executive Committee shall meet as determined necessary by the Chair for the purpose of conducting business between meetings of the Board.

B. Duties

Except as otherwise provided by these Bylaws, the Executive Committee shall have and exercise the authority of the Board in the management of the Association. All actions taken by the Executive Committee shall be reported to the Board at its next meeting.

Section 3. Finance and Administration Committee

A. Composition

The Finance and Administration Committee (FAC) shall be co-chaired by the Treasurer and the Secretary. Additional members, appointed by the Chair, shall consist of a member of the Board who does not currently serve on the Executive Committee and a member of the Association that does not currently serve on the Board.

B. Duties

The FAC administers the elections process and shall make nominations for the Board in accordance with these Bylaws. The FAC shall periodically review the Articles and Bylaws of the Association and may recommend changes or amendments to the Board. Any proposed business which affects the Articles or Bylaws may be referred to the FAC for report. The FAC is responsible for the maintenance of the Board Handbook and Policy Manual. The FAC shall support the Treasurer in the development and oversight of the Association budget and auditing of the Association books of account.

Section 4. Education and Training Committee

A. Composition The chairperson of the Education and Training Committee (ETC) shall be a Director that does not serve on the Executive Committee and who is appointed by the Chair subject to approval of the Board. Additional members may be drawn from the Board or Association membership.

B. Duties

The ETC is charged with delivery of timely and diverse professional training throughout the year across the represented Association states. This will include a range of delivery options beyond the conference program. Subject to availability, the ETC, shall conduct an annual and ongoing campaign to solicit conference scholarship applicants as outlined in the Board Handbook and Policy Manual and the current Association Budget. The ETC shall make recommendations to the Board regarding the award of scholarships and the Board shall authorize said awards as it deems appropriate.

Section 5. Communication and Member Engagement

A. Composition

The chairperson of the Communication and Member Engagement Committee (CMEC) shall be a member of the Board that does not currently serve on the Executive Committee and is appointed by the Chair subject to approval of the Board. Additional members may be drawn from the Board or Association membership.

B. Duties

The CMEC shall be responsible for developing content for the Association web page, newsletters and other information associated with promoting the Association. The CMEC shall work closely with the officers and chairs of committees to develop and coordinate dissemination of communication materials necessary for the good of the Association. The CMEC shall maintain a list of potential members for recruitment. The CMEC shall conduct an annual and ongoing campaign to solicit new members from among parking and transportation professionals and other eligible interested individuals and organizations. The CMEC is responsible for the development of additional programs and services of value to Association

members. The CMEC shall conduct an annual Call for Volunteers to serve on the Association's committees.

Section 6. Trade and Vendor Relations Committee

A. Composition

The chairperson of the Trade and Vendor Relations Committee (TVRC) shall be a member of the Board that does not currently serve on the Executive Committee and is appointed by the Chair subject to approval of the Board. Additional members may be drawn from the Board or Association membership.

B. Duties

The TVRC is charged with developing programs that ensure the Association continues to deliver value to Affiliate members and opportunities to engage their expertise. The TVRC is responsible for increasing Affiliate membership.

Section 7. Conference Committee

A. Composition Each year, the Vice Chair shall convene and chair a Conference Committee comprised of the chairpersons and co-chairpersons of the TVRC, the CMEC, and ETC. Additional members will be drawn from the Board and Association membership.

B. Duties

The Conference Committee shall be responsible for all activities necessary to produce the Association's annual conference and membership meeting.

Section 8. Other Committees

A. Standing committees, other than those established by these Bylaws, may be established by the Board, after which said committee(s) must be amended into these Bylaws to continue beyond the expiration of their establishment fiscal year.

B. Special committees may be established by law, resolution of the membership, resolution of the Board, or by the Chair subject to approval of the Board.

Section 9. Past Chairs Council

A. Composition The chairperson of the Past Chairs Council shall be the immediate past Chair of the Board and appointed by the Chair subject to approval of the Board. The Past Chairs Council is composed of the Past Presidents/Chairs of the Association who continue in good standing as determined by the Board.

B. Duties

The Past Chairs Council serves as a resource to support the activities of the Board and its committees, and other duties as directed by the Chair.

ARTICLE VIII – AMENDMENTS TO BYLAWS

The Association shall have Bylaws containing any provision for the regulation and management of the affairs of the Association not inconsistent with its Articles of Incorporation or law. Except as otherwise provided, the power to alter, amend or repeal Bylaws or adopt new Bylaws shall be vested in the Board. Such action may be taken by a resolution receiving an affirmative majority vote of the Board at a regular meeting, or at a special meeting for which written notice of the purpose shall be given.

ARTICLE IX - RULES AND PROCEDURES

The rules contained in "Roberts Rules of Order, Revised" shall serve to guide meetings of the Board in all cases in which they are applicable and in which they are not inconsistent with these Bylaws.

ARTICLE X - FISCAL YEAR

The Fiscal Year of the Association shall begin the first day of January and end on the thirty-first day of December. The Board shall appoint a Certified Public Accountant to audit the financial records and accounts of the Association and prepare an annual financial report, said report to be summarized and read at the next Annual Business Meeting.

ARTICLE XI - WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the State of Alaska Statutes for Nonprofit Associations or under the provisions of the Articles or the Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII - INDEMNIFICATION

No Director, Officer, member, agent or employee of this Association now or hereafter elected or appointed shall be personally liable to the creditors of this Association for any indebtedness or liability thereof. Except as otherwise limited by state or federal law, this Association may pay all reasonable expenses incurred by, and satisfy any civil judgment or fine rendered or levied against, any persons who has been or is a Director, Officer, member, agent or employee of this Association in any civil action brought by a third party against such person, whether or not this Association is joined as a third party defendant, in connection with any act alleged to have been committed or omitted either by such person while a Director, Officer, member, agent or employee of this Association, or by the Association itself, or both, provided that the Board of this Association determines in its sole and unfettered discretion that such Director, Officer, member, agent or employee was acting in good faith within what he reasonably believed to be the scope of this employment or authority and for purpose which he reasonably believed to be in the best interest of the Association.

Payments provided for herein shall include amounts paid and reasonable expenses incurred in settling any such action or threatened action. The provisions of the Article also shall apply in connection with any criminal actions or proceedings in which any Director, Officer, member, agent or employee had no reasonable cause to believe his or her conduct was unlawful. These provisions shall further apply to actions or proceedings commenced after the adoption hereof, whether arising from acts of omissions occurring before or after the adoption of these

Bylaws, and shall insure to the benefit of the heirs, executors and administrators of any Director, Officer, member, agent or employee against whom such action or proceeding is brought.