



BYLAWS OF THE THE NATIONAL RETAIL AND RESTAURANT DEFENSE ASSOCIATION

Updated as of June 6, 2017

SECTION I

Organization

On the 24th day of August, 2007 the National Retail and Restaurant Defense Association (NRRDA) was created under the laws of the Commonwealth of Virginia.

A certificate will be filed with the State Corporation Commission and Chesterfield County Circuit Court, pursuant to the requirements of law.

The principal office and business address of NRRDA shall be 8120 Lehigh Ave, Suite 100, Morton Grove, Illinois 60053, or such other place as the Board of Directors of NRRDA shall, from time to time, direct.

SECTION II

Mission

2.1 Goals & Objectives

The purpose of NRRDA is to advance and protect the interests of the retail and restaurant industry. By providing Members with information, strategies and tools, NRRDA works to reduce claims and better manage risk; mount effective defense strategies against claims and litigation; and foster and encourage a cooperative relationship among the Members of the Association.

2.2 Definitions

Members - A "Member" is an individual having Membership status in the Association in accordance with the Articles of Incorporation and these Bylaws.

Board of Directors - The "Board of Directors" is the group of persons vested with the authority and responsibility to manage the affairs of the Association.

SECTION III

Membership

3.1 Membership

The Association shall maintain a diverse Membership to enhance the exchange of information. Membership shall consist of a minimum of 40% industry (retail, restaurant & insurance) Members.

Each Member shall have one vote on each matter submitted to a vote at a meeting of the Members.

No person, firm or corporation, or partnership shall be eligible for any class of Membership if he/she/they/it is/are a Member or associated with or becomes associated with, any corporation, firm, proprietorship, business, entity or Association whose objectives, goals and/or operations are inconsistent with or adverse to the purpose, objectives and interests of NRRDA.

In order to become a Member of the Association, applicants must follow the process established by the Board of Directors and the Bylaws which may include review by the Membership Committee.

The Association shall have various categories of regular Membership:

Category 1 - Industry Members

Retail & Restaurant – A Principal or employee of an entity that operates in the business of retail or restaurant, who performs a risk management, investigatory, defense or claims function or is responsible for those who perform such functions.

Insurance – Principals or employees of companies that insure the retail and restaurant industry, and third party administrators who are involved in risk management or the investigation and/or defense of claims filed against retail and restaurant businesses or their interests.

In-house Counsel – An attorney employed by a retail, restaurant or insurance firm as a full time employee engaged in the defense of claims filed against employers.

Industry Members in NRRDA will receive free Membership until the Board of Directors votes to change the Membership fees.

Category 2 - Attorney Members

Attorneys who are employed by businesses devoted to or principally engaged in the defense of the retail or restaurant industry.

Attorneys who actively and principally engage in the practice of law, in the defense of the interest of retail and restaurant clients, or other clients or businesses working within those industries.

Category 3 - Vendor Members

A principal or employee of an entity involved in the investigation and defense of claims filed against retail or restaurant business such as field adjustor, settlement company, expert, etc. Any such Member engaged in defense activities, must adhere to the goals and objectives of the Association. Since NRRDA recognizes that the credibility of an expert witness often requires a showing that they are free to evaluate a claim, or a portion thereof, on behalf of whatever party retains them, Vendor Members may serve as expert witnesses for any party of their choosing.

Category 4 - Life Membership

Life Membership is awarded to NRRDA Members and recognizes outstanding contributions of those Industry or Attorney Members meeting the above minimum requirements. A Life Member shall have all the rights and privileges of an industry or attorney Member. Nominations for Life Membership shall be made to the Board of Directors sixty (60) days prior to the annual meeting. No more than three (3) nominations for such Membership may be approved by the Board in any one year. Lifetime Members will not be required to pay annual Membership dues.

- Nominated individuals will be approved by a majority vote of the Board of Directors of the Association. The Association may bestow Life Membership upon any qualified Member who has met the following minimum requirements:
- Individual must be or have been an Industry or Attorney Member of the Association for fifteen (15) years.
- Individual must have rendered distinctive service to the Association through participation on Committees, and/or service as an officer or Member of the Board of Directors for a minimum of five years.

3.2 Special Membership

The Association shall have one special Membership category.

Associate Membership

Associate Membership shall be granted at the discretion of the Board of Directors. Associate Members shall be non-voting Members and may not hold office. Associate Members may be allowed to attend any business meeting of the Association at the discretion of the Board of Directors unless excluded by a majority vote of attendee Members of such meeting and their proxies.

Associate Members may include:

- Attorneys who are developing practices devoted to or principally engaged in the defense of the retail and restaurant industry and whose membership is endorsed and sponsored by a current NRRDA Attorney Member from the same law firm. Associate members will not have voting privileges and may not chair a committee. Associate Attorney Membership will be in compliance with the dues schedule. They may participate as committee members and may register for the conference at the member rate. Associate Attorney Membership status ends after five consecutive years of membership in NRRDA; however, such time may be extended at the discretion of the Board, upon special consideration.

- A local, state or federal law enforcement officer, who is involved in, or provides special expertise or services for the investigation and/or defense of claims made to retail or restaurant businesses.
- A full-time investigator or investigations supervisor of the state bureau of insurance.
- Any individual or representative of an insurance company or government agency who is involved in, or provides special expertise or services for the investigation of insurance fraud, who is endorsed in writing by an Industry or Attorney Member.

3.3 Application for Membership

Individuals applying for membership or individuals recommending a Member for Life Membership shall submit the appropriate Membership application to the Membership Committee. Industry, Insurance and Vendor Members shall apply and include any applicable payment of Membership dues at the time of filing.

Attorney and other Members shall submit their application which shall include three (3) business references. Admission to the Association shall be approved through the Membership Committee. The Committee shall give due consideration to the applicant's experience, abilities, personal and professional standing in the community, and other qualifications it deems applicable. An applicant may be required to submit to an interview. The Membership Committee retains the right to recommend the denial of admission of an applicant at its sole and absolute discretion. Any applicant whose professional activities or personal background are considered adverse to the interests, goals or objectives of the Association shall not be deemed eligible for Membership.

A requirement for Membership in NRRDA shall be the payment of dues, fees, and/or assessments as required from time to time by the Board of Directors. The amount, frequency and calendar dates of payment of such dues, fees and/or assessments shall be determined by the Board of Directors. Membership must be renewed each year.

Fees shall be subject to modification by majority vote of the Board of Directors.

3.4 Membership Criteria

Except for Vendor Members, a Member of NRRDA, or their organization, firm, subsidiary, affiliate or related business may not represent, consult for or testify on behalf of plaintiffs in a personal injury case against a NRRDA Member or an insured of a NRRDA Member. If any firm or organization has even one individual who violates this provision, the entire firm or organization and all current NRRDA Members from that firm or organization will have their Membership revoked. If the case is dropped or resolved after NRRDA Membership has been revoked, re-application to NRRDA by all those removed will be required. Attorneys in private practice who wish to join NRRDA must submit an Attorney application for Membership. Only attorneys who regularly defend retail and restaurant companies or companies affiliated with these industries and whose law firm does not represent plaintiffs are eligible for Membership.

NRRDA offers Members educational, resource and networking opportunities to assist in sharing of knowledge and resources in the defense of the retail and restaurant industries. NRRDA Members adhere to a unique policy which prohibits unwanted marketing overtures. NRRDA recognizes that Membership will lead to the development of professional business relationships; we will not publish or distribute Membership mailing lists or other attendee information. Members overtly marketing their business at a meeting or other function, or through group email to NRRDA Members, will be subject to

appropriate response by the Board of Directors and could be subject to Membership denial or revocation.

3.5 Termination of Membership

A Member may resign at any time, but will not be entitled to receive a refund for any fees or dues paid. Resignation will become effective upon receipt by the Board of Directors and/or the NRRDA office.

Any Member in good standing, who may become displaced from the industry, may remain a Member for a period of 180 days without direct employment in the industry. Should that Member not secure a position within the industry within that time period, he/she must relinquish Membership until a time at which he/she is again employed. Upon application to the Board of Directors, the Board may vote to extend the Membership of the unemployed Member for a period of 180 days from the date of when Membership would otherwise terminate. If the displaced Member is a Member of the Board of Directors, they will retain that position unless they are subject to reelection and are not reelected.

Membership in the Association shall terminate in 60 days if the Member fails to make payment of dues or other obligations to NRRDA. Resignation shall be mandatory when any Member fails to comply with the eligibility requirements of Section 3.3 above. A Member may be removed at any time, upon a vote of two-thirds of the Board of Directors then voting, for (a) violation of the Bylaws, (b) non-payment of fees or dues, (c) any other good cause.

Individuals, companies or organizations that have had their Membership in NRRDA revoked may not attend NRRDA meetings unless approved by the Board of Directors. Non-Members may attend NRRDA meetings if sponsored and invited by a NRRDA Member in good standing, unless they have previously had their NRRDA Membership revoked and/or if they participate in a field or vocation to which Membership in NRRDA is excluded. Exceptions are subject to approval by the Board of Directors.

3.6 Annual Meeting

The Association shall meet annually at a location and time chosen by the Board of Directors. Notice of the annual meeting shall be sent to Members not less than thirty (30) days prior to such meeting.

3.7 Special Meetings

Special meetings of the Membership may be called either by the President, by vote of a majority of the Board of Directors, or by not less than ten percent (10%) of the Active Members. The person or persons authorized to call special meetings of the Membership may fix the time and place, either within or without the State of Virginia, as the time and place for holding any special meeting of the Members called by them.

Notice of any meeting of the Membership shall be received by each Member by electronic mail, postal mail, overnight courier, facsimile (telecopier), or other mode of written transmittal, not less than ten (10) days before the time set for such a meeting, and must include the time, date, place, and, in case of a special meeting, the detailed purpose or

purposes of such meeting. Any Member may waive notice of any meeting before, at or after such meeting. The attendance of any Member at any such meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed a waiver by the Member of notice of such meeting.

3.8 Quorum

A majority of the Members of the Board of Directors shall constitute a quorum for meetings of the Board. A majority of the Members of any Committee shall constitute a quorum for meetings of a Committee. Ten percent (10%) of the total Membership in good standing shall constitute a quorum for meetings of the Members.

3.9 Minutes

Full minutes of each meeting of the voting Membership shall be recorded by the Secretary, containing the results of the deliberations of the Active Members and shall be placed in the Association's minute book or other appropriate books and records.

SECTION IV

Board of Directors

4.1 General Powers

The property, affairs and business of the organization shall be under the care of and managed by the Board of Directors. The President shall be the Association's chief executive officer to carry out the instructions of the Board.

No action of the Board shall be valid unless taken at a meeting at which a quorum is present except any action in which consent in writing is set forth for the action, signed by each Director either before or after such meeting. Meetings may be by conference call or other means of electronic communication.

The President and the Board may create Committees and appoint Committee Chairpersons as they deem appropriate. This includes determination of the number of participants on the Committees, their qualifications and responsibilities. Participants on planning Committees must be Members in good standing of NRRDA and fulfill their duties to the expectations of the Board of Directors. Any Committee chair or Member can be removed by the Board of Directors. The President may also create Task Forces for the purpose of addressing ad hoc issues that arise during the course of his/her term.

The President shall appoint a General Counsel for the Association from the Members of the Board. The General Counsel will review contracts for the Association and represent the Association in any legal matters outside the corporate filings.

The Board shall meet at least annually at the time of the annual Membership meeting of the Association. Additional meetings of the Board may be called by the President or other Officers at any time, or shall be called at the request of any three Board Members. The

agenda for the Board of Directors meetings shall be as designated by the President.

The Board shall have full power to manage the business necessary of the Association and carry out its purposes. Each Board Member shall have one (1) vote. The Board of Directors shall have the general powers to direct, control, and supervise the affairs of the Association. The Board may delegate its powers by creating Committees authorized to conduct Association business within the scope of duties the Board defines as its purpose.

4.2 Composition and Reimbursement

The Board of Directors shall consist of nine (9) Attorney Members and six (6) Industry/Insurance Members including officers. Other than Founding Board Members, no more than one (1) Attorney Member from the same law firm may serve on the board at any one time. Vendors may not be elected to the Board of Directors.

Founding Members of the Association including currently standing Advisory Board Members are eligible to participate on the Board of Directors following their initial terms of service as Founder-emeritus Members. Founder-emeritus positions are non-voting positions and are not eligible for any expenses covered by the Association. Founder-emeritus Members may perform Committee advisor positions if selected by the President. The Founder-emeritus position is a lifetime appointment unless the Founding Member steps away from the role voluntarily or resigns from the Association.

If the Association is financially stable to afford to do so, the Board may vote to reimburse Board Members for travel expenses. Board Members fees for participation at any NRRDA event are waived. Board Members will be expected to pay annual Membership dues.

4.3 Terms of Office

All Directors shall be elected to the Board for a three (3)-year term. Except as otherwise provided herein, Directors may serve one (1) or more consecutive three (3)-year terms; provided that no Director may serve more than three (3) consecutive three (3)-year terms. Notwithstanding the preceding, no individual shall be prevented from serving as an officer on the basis that such individual served or will have served as a Director for at least one (1) term prior to their nomination for officer.

Directors elected to an officer position shall be excused from reelection during their term of service. President and President elect positions will be excused from reelection as their officer positions automatically transition to another officer appointment. Directors serving as Secretary, Treasurer, or General Counsel will be excused of reelection while currently serving their two year officer term and will be eligible for reelection following their service as an officer.

All original Board Members have been elected with staggered terms. The initial terms are one (1) year, two (2) years and three (3) years with a combination of industry and attorney in each category. From there forward, each Board Member shall have the opportunity to hold office for two more terms, each term consisting of three years as per the terms of office.

4.4 Elections

The Board of Directors shall consist of fifteen (15) Members, all of whom shall be elected by the Members at large at the annual meeting on the following basis. Board Members must be a Member in good standing of the Association for a minimum of three (3) consecutive years and in compliance with the written nominations policy adopted by the Board to be considered for the Board of Directors.

No later than sixty (60) days prior to the annual meeting, the Board will advise the Membership of elections, vacancies and such other information as the Board deems appropriate. All nominations shall be submitted to NRRDA office for the Nominations Committee of the Board of Directors no later than thirty (30) days prior to the Annual Meeting. Nominees must be a Member in good standing.

No later than twenty five (25) days before the annual meeting, the Nominations Committee will present a list of eligible candidates to the NRRDA membership. All valid nominations will be on the voting ballot.

At the annual meeting, candidates will make short 3-5 minute presentations to the Membership. An official ballot will be distributed to Members for voting. Ballot results will be collected and tallied by the Nominations Committee and the NRRDA office, and results announced immediately following the vote.

4.5 Vacancies

In the event of a vacancy occurring among the Officers or the Board of Directors, through death, resignation, disqualification, disciplinary action, or any other cause the Board deems sufficient, the vacancy or vacancies shall be filled by appointment of the President. The interim Board Member must be of the same Membership class as the exiting Board Member. If the office of the President becomes vacant, he or she will be replaced by the President-Elect. Such newly appointed Officer(s) of the Board shall hold office only until the next annual meeting and election, or for the remaining period of the unexplored term which they have assumed. If an interim director is elected to the Board, time served as an interim Board Member will not be included in the Board Member's term limitation.

4.6 Officers

The Officers of the Association shall be President, President-Elect, Immediate Past-President, Secretary, General Counsel and Treasurer all of which shall be an Industry, Insurance, Attorney or a Life Member of the Association. Officers will also serve as the Executive Committee for the Board of Directors.

a. President - The President shall be the Chief Executive Officer of the Association for a two (2) year term. It shall be the President's responsibility to manage, supervise and coordinate the activities of the Association, to preside at meetings of the Association and the Board of Directors, to create and appoint appropriate Committee chairpersons for the conduct of the activities of the Association, and to appoint Officers or Members of the Board of Directors when vacancies arise. The President may not act as General Counsel.

b. President-Elect - The President-Elect is expected to serve for a period of four (4) years which shall consist of a two (2) year term as President-Elect and a two (2) year term as President. This position will allow the incoming President the opportunity to review and understand the workings of the Association before acting as the President of the Association. In the absence of the President, the President-Elect shall be Chief Executive

Officer and shall act as such.

In the event the President cannot serve or complete his/her term, the President-Elect shall assume the office of President until the next annual meeting.

c. Immediate Past-President - The Immediate Past-President shall assist the President in the performance of his or her duties by providing continuity, advice and other assistance to the President. The Immediate Past-President will hold an ex-officio position on the Executive Committee and will stand in for a vacant officer position by recommendation of the President. The Immediate Past-President will hold the position for the two (2) year term of the President. The Immediate Past-President may assist Committee Advisors with Committee appointments. If the Immediate Past-President has term eligibility on the Board following their Immediate Past-President role, they may complete their eligibility as a Member of the Board, if they wish.

d. Secretary - The primary duty of the Secretary is that of communication within the Membership and the distribution of Association newsletters. The Secretary shall also keep the records and minutes of the Association, maintain a current roll of Membership, and maintain possession of the Articles of Incorporation, Bylaws, and all other documents of value. It shall be the Secretary's duty to receive and acknowledge all communications addressed to the Association and its officers and any other duties designated by the President. The Secretary serves a two (2) year term.

e. Treasurer - The primary duty of the Treasurer is that of obtaining and retaining Membership in the Association. The Treasurer shall be custodian and sole depositor of Association funds. Any funds to be dispersed will be authorized by the Board of Directors. The Treasurer shall render a complete summary of all income, disbursements, and balances whenever requested by the Board of Directors and to the Members at each Annual meeting. The Treasurer serves a two (2) year term.

f. General Counsel – The primary duty of the General Counsel is to have general charge of all legal matters pertaining to the Association. The General Counsel is responsible for maintaining the Association Bylaws and ensuring the Board of Directors operates according to those Bylaws. The General Counsel is also responsible for signing all contracts related to the conferences for the Association. The General Counsel serves a two (2) year term.

4.6 Officer Appointments and Elections

The Executive Committee will nominate the President-Elect for the next term during their end of year strategic planning meeting. The President will nominate the remaining officer appointments for the Board of Directors at least thirty (30) days prior to the elections held at the Annual Meeting. The nominations for Officer Positions will be elected through majority vote of the Board via electronic voting or teleconference prior to the Annual Meeting. All officers shall be elected biannually at the Annual Meeting, for terms to begin at the conclusion of the annual meeting.

SECTION V

Special Advisors

5.1 Definition

A Professional Advisor is someone who possesses a specialized skill, knowledge, and expertise in a given profession, and whose professional advice is useful to the Board of Directors to assist and/or enable it to carry out its duties on behalf of the Association. Advisors will be appointed by the Board of Directors.

5.2 Type

The Association will have Corporate Counsel, an Accountant and an Auditor.

Corporate Counsel - The Corporate Counsel will be an Attorney at Law, admitted to practice in the Commonwealth of Virginia, and who is in good standing and in active Membership with the Virginia State Bar. The Corporate Counsel will be an active Member of the Association and agree to serve, free of charge, to the Association. The Corporate Counsel will maintain the Corporation's legal status in the State of Virginia.

Accountant - The Accountant will be a Certified Public Accountant who is in good standing and in active Membership with the Society of Certified Public Accountants and a state equivalent. The Special Accountant will be an individual who practices predominantly insurance and or commercially related accounting with a specialty and/or emphasis in retail or restaurant clients. The Special Accountant will maintain audit functions of the Association's books and account and will file and/or assist the Association in the filing of necessary federal, state and local tax returns and the like.

Auditor – The Board of Directors, on a yearly basis, will engage a certified public accountant or firm to provide an audit report to the Board.

SECTION VI

Committees

6.1 Committee Development and Appointments

The Board may define and create Committees of the Association to perform tasks specified by the Board. Except as otherwise provided by the Board, Members of each such body must be Active Members of the Association. A Board Member shall be appointed as Committee Advisor by the President. The Committee Advisor and President shall appoint the Chair and the Members of each such body from the proposed slate. Any Member thereof may be removed by the Board whenever in their judgment the best interests of the Association would be served by such removal.

The most recent five (5) Past-Presidents will hold a position on a Past-President's Committee. The Past-President's Committee will facilitate actions approved by the President of the Board of Directors.

6.2 Scope

All references herein to "Committee(s)" of the Association shall refer to Committees of the Association that are authorized by and constituted pursuant to these Bylaws and as are

further defined by the Board in its sole discretion. In no instance shall such terms refer to a Committee that is not specifically authorized by and constituted pursuant to these Bylaws.

SECTION VII

Finances

7.1 Fiscal Year

The fiscal year shall be the calendar year from January 1 to December 31.

7.2 Obligation to Pay Dues and Effect of Non-Payment

Membership herein carries a definite obligation to pay annual Membership dues as established by the Board. Membership in the Association may be, at the discretion of the Board, renewable annually without notice. Dues are not refundable for any reason whatsoever. Failure to pay all dues within sixty (60) days of the date any such payment is due shall cause the delinquent Member to jeopardize his or her good standing status. If such delinquency is not cured within the sixty (60) days the Member shall lose his or her good standing status as a Member. The delinquent Member shall lose his or her voting privileges as a Member; and if applicable, the delinquent Member shall lose his or her voting privileges as a Director, Officer and/or Member of a Committee of the Association until such Member pays the delinquent dues in full and has his or her good standing status reinstated.

SECTION VIII

Conflict of Interest

8.1 Conflict of Interest Transaction

A conflict of interest transaction is a transaction with the Association in which a Director has a direct or indirect personal interest. A Director has an indirect personal interest in a transaction if (i) another entity in which he or she has a material financial interest or in which he or she is a general partner is a party to the transaction, or (ii) another entity of which he or she is a director, officer, employee, or Director is a party to the transaction and the transaction is or should be considered by the Board or a Board Committee.

8.2 Disclosure

Each Director, diligently and in good faith, shall seek to disclose or otherwise make known to the Member(s), the Board, or a Committee the material facts of any conflict of interest transaction and the Director's interest therein.

8.3 Recusal

Each Director, diligently and in good faith, shall seek to recuse himself or herself from any

vote of the Board or a Committee, involving any conflict of interest transaction, provided, however, that the failure of a Director to recuse himself or herself from any vote does not affect the validity of any vote if the transaction otherwise is authorized, approved, or ratified.

8.4 Declaration of Policy

Responsibility and authority for any declaration of Association policy, and/or endorsement, and/or rejection of any matter on any subject of policy, is reserved to the judgment and discretion of the Board. Members of Committees of the Association are not authorized directly or indirectly to commit the Association in any way or in any manner, financially or otherwise, without prior approval by the Board, except as specified in the approved budget or in specific resolutions of the Board. The Board, except as herein otherwise provided, shall have control of the affairs of the Association, including all matters relating to the acquisition, holding, management, control, investment, and disposition of the funds and other property of the Association.

SECTION IX

Amendment

9.1 Requirements

These Bylaws may be amended at any Board of Director's meeting by a quorum of Director Members present, providing:

- The proposed amendment is disseminated and presented to the entire Board of Directors at least thirty (30) days prior to any Board of Director's meeting. Notwithstanding, the foregoing ministerial changes may be made by a majority vote of the Board at any meeting.
- Board Members may give their proxy if absent by way of the Secretary or President of the Association.
- And the proposed amendment is presented in a form consistent with and not in conflict with the Articles of Incorporation and the Bylaws of this Association.

9.2 Authority

Any action taken or authorized by the Board, which would be inconsistent with the Bylaws then in effect but is taken or authorized by affirmative vote of not less than the number of Directors required to amend the Bylaws so that the Bylaws would be consistent with such action, shall be given the same effect as though the Bylaws temporarily had been amended or suspended so far, but only so far, as is necessary to permit the specific action so taken or authorized.

SECTION X

Indemnification

10.1 Limitation of Liability

The personal liability of the Directors, Officers and employees of the Association and the Members of all Board Committees is hereby eliminated to the fullest extent permitted by the Act and the Code, to the extent such personal liability arises (i) by reason of the fact that the person being held personally liable is or was a Director, Officer, employee, or a Member of a Board Committee of the Association, and (ii) arise from acts done or omissions made within the scope of the duty to the Association, in good faith by such person and in a manner such person reasonably believed to be in or not opposed to the best interests of the Association.

10.2 Indemnification

The corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer, director, or employee of the corporation against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity; provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the corporation; and further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of directors who are not at that time, parties to the proceeding.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which any person may be entitled.

No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified person under this Article shall apply to such person with respect to those acts or omissions which occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted by or was made with the written consent of such indemnified person.

This Article constitutes a contract between the corporation and the indemnified officers, Directors, and employees. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer, director, or employee under this Article shall apply to such officer, director, or employee with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

SECTION XI

Duration and Dissolution

11.1 Duration

The duration of the Association shall be perpetual, except that it may be dissolved in the manner provided by the Act and these Bylaws.

11.2 Dissolution

Before the Association may be dissolved, the Board must first adopt, by not less than two-thirds (2/3) of those casting their votes at a properly noticed meeting of the Board at which a quorum is present, a resolution recommending the dissolution of the Association in accordance with the Act. Upon such approval, a motion for dissolution shall be submitted to a vote of the Membership. The motion shall be deemed passed by the Membership only if approved by the affirmative vote of a majority of the voting Members of the Association in good standing casting their votes at a properly noticed meeting of the Membership at which a quorum is present or through electronic ballot.

11.3 Distribution of Assets

Upon the dissolution of the Association, and after paying or making provision for the payment of all the liabilities of the Association, the Board shall distribute all the assets of the Association for one (1) or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or such assets shall be distributed to the Federal government, or to a state or local government, for a public purpose, in such manner as the Board shall determine.