

# Bylaws of The Construction Specifications Institute, Inc.

## Revised March 2011

### Article I. Governing Authority

The Construction Specifications Institute, consisting of a membership as defined in Article IX of these Bylaws, and hereinafter referred to as the Institute, is governed and operated in accordance with the laws of the State of Maryland, the Certificate of Incorporation, these Bylaws, the Institute Policy and other instructions of the Board.

### Article II. Domain

#### Section 1. Scope

The domain of the Institute shall be international.

#### Section 2. Regions

Within the domain of the Institute there shall be established areas identified as Regions of The Construction Specifications Institute. The Regions shall be geographically designated. Regions shall be established by the affirmative vote of not less than two-thirds of the Board.

### Article III. Board

#### Section 1. Government of the Institute

The affairs of the Institute shall be governed by its Board.

#### Section 2. Composition of the Board

The Board shall consist of Officers and Directors.

#### Section 3. Directors

One member from each geographical region shall be elected to the Board in accordance with Article V of these Bylaws. Two Directors at Large shall be elected to the Board in accordance with Article V of these Bylaws.

#### Section 4. Officers

There shall be six Officers of the Board: President, President-Elect, Secretary, Treasurer, and two Vice Presidents as described in Article IV.

#### Section 5. Duties

a. The Board shall have control and management of the affairs of the Institute, with authority to conduct the business of the Institute.

b. The Board may appoint an Executive Director who shall manage the Institute office, have power to select the office staff and shall conduct all of the business of the Institute, subject to the direction of the Board and the President. The Executive Director shall be paid a salary to be determined by the Board and shall hold office at its pleasure.

#### Section 6. Meetings

a. The Board shall hold not less than two regular meetings during the year; the time and place of which shall be fixed by the Board. Special meetings of the Board may be held at any time on call of the President and shall be held upon written request to the President by six members of the board; provided, however, that in each case at least five days written notice is given to each member of the Board in advance.

b. Board meetings may be held via electronic means provided they are conducted by an audio, video, or computer-based teleconferencing technology that allows all persons participating to hear each other at the same time.

c. The President shall preside at all meetings of the Board or, in the absence of the President, the President-elect shall preside.

#### Section 7. Quorum

A majority of the Board membership shall constitute a quorum at all its meetings.

#### Section 8. Order of Business

The order of business for meetings shall be determined by the presiding officer. These Bylaws and Robert's Rules of Order Newly Revised shall govern the conduct of the meetings.

#### Section 9. Vacancies

Any vacancies that may occur in the Board by reason of death, resignation or otherwise,

shall be filled by the Board for the duration of the unexpired term.

## **Article IV. Officers**

### **Section 1. President**

The President shall preside at all meetings of the Institute, the Board, and shall be a member ex-officio of all committees of the Institute except the Nominating Committee and the Jury of Fellows. The President shall perform such duties as are necessarily incident to the office of the President of the Institute or as may be prescribed by the Board. In the temporary absence or disability of the President, the President-elect shall discharge the duties of the President.

### **Section 2. President-elect**

The President-elect shall be a member of the Board and shall have such assignments as may be made by the President or the Board.

### **Section 3. Vice Presidents**

The Vice Presidents shall be members of the Board and shall have such assignments as may be made by the President or the Board.

### **Section 4. Secretary**

The Secretary shall have custody of the corporate seal, and shall sign for the Institute all agreements and formal instruments under the seal thereof. The Secretary shall have charge of all books, records and correspondence of the Institute, of the Board and of its committees, other than those books, records and correspondence pertaining to the office of the Treasurer; and shall exhibit the same to the members of the Institute when required to do so by the Board. The Secretary shall attend all meetings of the Institute and of the Board and shall record the proceedings thereat. The Secretary shall issue notices for all meetings for which notice must be given, as required by these Bylaws, attend promptly to all official correspondence, and shall notify members of their election or appointment to offices, boards and committees. The Secretary shall keep a correct roster of the names and current addresses

of the members of the Institute, of its Board, and of its various committees. At the expiration of the term of office, the Secretary shall deliver all books, records and correspondence to the Secretary-elect or in the absence of a Secretary-elect, to the President. The Secretary shall have such other duties as may be prescribed from time to time by the Board. The duties of the Secretary, under authority of the Board, may be assigned in whole or in part to the Executive Director or to other assistants as the Board may determine.

### **Section 5. Treasurer**

The Treasurer shall collect, receive and receipt for all monies and securities paid to or transferred to or contributed to the Institute. The Treasurer shall deposit the funds and securities of the Institute in such banks, trust companies or depositories as the Board shall designate; and shall, subject to the direction of the Board, disburse and dispose of the same, taking proper vouchers for such disbursements. The Treasurer shall keep accurate books of account, recording therein the sources and the amounts of all monies, funds, securities, property and assets in custody, showing at all times the amount of all property belonging to the Institute, wherever located, and showing the amount of disbursements made and the disposition of the property. The Treasurer shall render to the Board, when they so direct, an account of all the transactions as Treasurer and of the financial condition of the Institute, and shall after the close of the fiscal year present a report of the examination, records and transactions of the Institute by a disinterested, independent certified public accountant, who shall be designated by the Board. The Treasurer shall have such other duties as may be prescribed from time to time by the Board. At the expiration of the term of office, the Treasurer shall deliver to the Treasurer-elect all books, monies, and other property, or, in the absence of a Treasurer-elect, to the President. The duties of the Treasurer, under authority of the Board, may be assigned in whole or in part to the Executive Director or to other assistants as the Board may determine.

## **Article V. Nomination and Election of Officers and Directors**

### **Section 1. Institute Nominating Committee**

The Institute Nominating Committee shall consist of seven members, one from each of five regions for a two-year term, two appointed one year and three the following year, in rotation among the regions and two Board members, appointed for one year terms.

### **Section 2. Nomination of Directors**

a. Not later than November 1 of the administrative year in which the term of the Director expires the following June 30, the Region Nominating Committee shall submit nominees for Director. Not more than four qualified members of that region may be submitted as nominees for Director. The Secretary shall validate the names submitted by the Region Nominating Committees as the nominees to appear on the election ballot for the office of Director of that particular region.

b. In the event that a Region Nominating Committee should fail to act by the stipulated time, the Institute Nominating Committee shall select the names of not more than four qualified nominees from that region to be placed on the election ballot.

### **Section 3. Nomination of Officers and Directors at Large**

a. Nominations of Officers, except President, and Directors at Large shall be made by the Nominating Committee and may be made by written petition of voting members.

b. Each nominating petition must be submitted to the Secretary, on the prescribed form, sent by trackable delivery service, and be received at the Institute office during the month of December. Each nomination shall be by separate petition, signed by not less than two percent (2%) of the voting members from each of four regions based upon the previous June 30 membership. Each petition shall be accompanied by full information required by the Board and by a signed statement from the proposed nominee, indicating a willingness to serve. A petition shall

be considered valid if it complies with these Bylaws and contains the required information.

c. The Nominating Committee shall make one or more nominations each for the office of President-elect, vice Presidents, Secretary or Treasurer, and Director at Large as their terms expire, and submit its nominations to the Secretary during the month of December.

d. All nominees for Officers and Directors at Large shall be voting members in good standing of the Institute.

e. The Nominating Committee shall select candidates for Officers and Directors at Large to ensure that the composition of the Board reflects the diversity of Institute membership.

### **Section 4. Issuance of the Election Ballot for Officers and Directors and Their Terms**

a. For Officers and Directors at Large: The Secretary shall send an election ballot during February to all voting members (on the Institute's record as of January 1) listing the names of all duly validated nominees for Officers and Directors at Large.

b. For Directors: The Secretary shall send an election ballot during February to all voting members (on the Institute's record as of January 1) of that particular region in which the Director's term will expire on the following June 30. The ballot shall list the names of not more than four validated nominees for each Director.

c. The balloting shall close four weeks after the ballot has been sent from the Institute.

d. The voter shall have the right to substitute any name or names of members of the Institute for a corresponding number of nominees on the ballot for Officers and Director; provided, however, that the voter when substituting a name for a nominee for a Director, shall substitute only the name of a member of the same region.

e. Each election ballot shall be validated and counted by election service provider, and the results validated by the Tellers Committee. In the case of two nominees for a single office, election shall be by majority vote; and in the

case of more than two nominees by a plurality of the votes cast. In case two or more nominees receive the same number of votes the election shall be determined by lot. The tellers shall certify the results of the ballot to the Secretary. The results of the ballot shall be published.

f. The terms of Officers and Directors shall begin at the commencement of the administrative year following their election. The President-elect shall assume the office of President at the conclusion of the term as President-elect.

g. The President and President-elect so elected shall hold office for one year. The terms of office for the Vice Presidents shall be two years, with the term of one expiring in odd numbered years and the term of the other expiring in even numbered years. The terms of office for both Secretary and Treasurer so elected shall be two years, with the term of Secretary expiring in odd numbered years and the term of Treasurer expiring in even numbered years. The Directors and Directors at Large so elected shall hold office for two years or until their successors shall be duly elected or otherwise chosen in accordance with these Bylaws.

h. Officers, Directors, and Directors at Large except for President-Elect may succeed themselves in office for one additional term.

### **Section 5. Dates of This Article**

The dates fixed in this article are fixed on the assumption that the annual meeting will be held during June. If this meeting should be held outside of this period, the Board is hereby authorized to depart from the dates in this article as may seem expedient, consistent with the general spirit and purpose of the provisions of this article.

## **Article VI. Disqualification of Officers and Directors**

Officers or Directors of the Institute who cease for any reason whatsoever to be members of the Institute shall thereupon no longer hold such office in the Institute.

## **Article VII. Committees**

The Board shall create such committees of the Board and of the Institute and shall delegate to these committees such powers and functions as it finds desirable for the conduct of its business and for carrying out the purposes for which the Institute has been organized, and may authorize compensation for justifiable expense for same. All members serving on Institute committees shall be members of the Institute.

## **Article VIII. Chapters of the Institute**

### **Section 1. Definition of Chapters**

Chapters shall be local associations chartered by the Board to further the purposes to which the Institute is dedicated, and shall consist only of members of the Institute in good standing.

### **Section 2. Regions**

a. Chapters within the United States of America, its territories and possessions and the District of Columbia shall be included within regions.

b. A chapter not included in a region shall be classified as a chapter-at-large. When regions are established in the area of a chapter-at-large, that chapter shall become a part of that region.

### **Section 3. Establishment of Chapters**

a. The Board is authorized to charter a chapter in any area within the domain of the Institute, thereby conferring on said chapter the right to use the name and seal of the Institute and to be known as an affiliate chapter of the Institute; provided, however, such chapter agrees to abide by the regulations and requirements for the conduct of chapters of the Institute as provided in these Bylaws and as adopted from time to time by the Board.

b. Issuance of a charter shall be contingent upon approval by the Board of the proposed chapter's bylaws. The Board shall accept and approve only those proposed chapter's bylaws which are consistent with the provisions of the Institute's Certificate of Incorporation and the Institute's Bylaws.

**Section 4. Minimum Membership Requirements of Chapters**

a. The Board may charter a chapter if a minimum of fifteen members or prospective members of the Institute, at least twelve of whom are or will be Professional Members, have pledged themselves to join the chapter should it be chartered, have petitioned the Board in writing to charter said chapter and have transmitted a petition and proposed chapter bylaws to the Board.

b. A chapter may establish student affiliates subject to Institute Board approval and an appropriate amendment of the chapter's bylaws.

c. Student chapters established prior to January 1, 1980 shall remain in existence subject to the provisions in Section 5 below.

**Section 5. Withdrawal of Chapter Charters**

The Board is authorized to withdraw from any chapter its charter for being unable to meet the requirements of these Bylaws or for being unable to maintain a membership of not less than eight Professional Members in good standing or for any conduct or action of the chapter in the opinion of the Board prejudicial to the welfare, interest or character of the Institute; provided however, that notice in writing together with a copy of the reason or reasons for intention to withdraw shall have been sent to all members of the Institute in good standing who are members of record in the chapter, and to the Institute Directors concerned, at least twenty days before the meeting of the Board when such action shall be considered. Any chapter member or members may appear before the Board and may have legal representation at said meeting in defense of charges leading to the intention to withdraw. The majority decision of the Board shall be final.

**Article IX. Members and Their Election**

**Section 1. Membership Classification**

a. The Institute shall consist of individual Professional, Emerging Professional, and

Student Members. Firms or corporations are not eligible for membership.

b. The Institute may grant Retired, Emeritus, Distinguished, Honorary, or Lifetime status to individuals who meet the requirements stated in these Bylaws.

**Section 2. Professional Members**

a. Professional Members shall be technically experienced individuals whose primary function is to author, manage, or communicate building information; to create, interpret, or use construction documents; or to educate, support, or assist the construction industry.

b. Professional Members shall be eligible to vote and to hold any office in the Institute

**Section 3. Emerging Professional Members**

a. Emerging Professional Members shall be individuals who are prospective Professional Members, but who do not meet the requirements for Professional membership.

b. Emerging Professional Members may petition for Professional membership at any time; however, Emerging Professional status shall be upgraded to Professional status at the end of the third year after election as an Emerging Professional Member.

c. Emerging Professional Members shall have all the rights and privileges of Professional Members, except that they shall not be eligible to vote in Institute elections, and they shall not be eligible to hold elective Institute office.

**Section 4. Student Members**

a. Student members shall be full time students enrolled in an undergraduate or graduate program in a construction industry curriculum in an educational institution.

b. Student Members shall have all the rights and privileges of Professional Members, except that they shall not be eligible to vote nor to hold elective office in the Institute.

**Section 5. Retired Members**

a. Retired members shall no longer be engaged in income-producing activities, shall have reached the age of sixty-five years, shall

have been Professional Members in good standing in the Institute for the past consecutive five years, and shall have been recommended for such change in status by their chapters, or if unaffiliated with a chapter, by documented application to the Secretary of the Institute. Retired members shall retain the rights and privileges held at the time of application for change in status.

b. Exceptions to a. above can be requested by an individual (if unaffiliated) or a chapter by documented application to the Secretary of the Institute to be evaluated on a case-by-case basis.

### **Section 6. Members Emeritus**

Members Emeritus shall have been Professional Members in good standing in the Institute for the past consecutive fifteen years, shall have reached the age of seventy years, and shall have been recommended for such change in status by their chapters, or if unaffiliated with a chapter, by documented application to the Secretary of the Institute. Members so qualified may, upon approval of their application by the Institute, be granted the status of Member Emeritus. Members Emeritus shall retain the rights and privileges held at the time of application for change in status, and shall be entitled to print and otherwise use, as a suffix to their name, the title Member Emeritus following the initials CSI, or FCSI if a Fellow of the Institute.

### **Section 7. Lifetime Members**

a. Lifetime members shall be former Presidents of the Institute and shall automatically become qualified upon completion of their term of office as President.

b. Lifetime members shall have the rights and privileges in accordance with these Bylaws and shall be entitled to print or otherwise use, as suffix to their name, the title Lifetime Member following the initials CSI, or FCSI, if a Fellow of the Institute.

### **Section 8. Election of Members**

a. Upon receipt and acceptance of a signed membership contract and the payment of dues,

an applicant for membership shall become a member of the Institute upon the review and approval of the Secretary. Election to the Institute shall not impart or convey membership to any chapter thereof.

b. Any action taken by the Secretary under this section of the Bylaws may, within a period of one year from the date of said action, be appealed to the Board for final determination. Appeals may be filed by any member, or chapter of the Institute, including the member or applicant directly concerned.

### **Section 9. Members' Right to Use Institute Name**

a. Professional Members in good standing shall be entitled to use the initials CSI as a suffix to their name, or the title Professional Member of the Construction Specifications Institute, or both.

b. The rights of members emeritus, distinguished members, honorary members, Fellows of the Institute, and lifetime members to use the Institute name are defined in Article IX, Sections 8 and 9; Article X, Section 4; and Article XI, Section 4, respectively.

c. Emerging Professional Members in good standing shall be entitled to use the initials CSI-EP as a suffix to their name, or the title Emerging Professional Member of the Construction Specifications Institute.

d. Student Members in good standing shall be entitled to use the initials CSI-S as a suffix to their name, or the title Student Member of the Construction Specifications Institute.

### **Section 10. Duration of Membership and Resignation**

Any member may withdraw from the Institute by giving notice in writing to the Secretary sixty days prior to the date of withdrawal, but this shall not relieve the member of liability for all dues or other obligations in arrears. All rights, privileges and interests of a member in or to the Institute shall cease on the termination of membership. Dues shall not be subject to refund in the event of resignation.

### **Section 11. Suspension and Expulsion**

a. Any member may be expelled, censured or suspended as the Board shall determine, for conduct on their part prejudicial to the welfare, interest or character of the Institute by affirmative vote of two-thirds of the members of said Board; provided, notice in writing, together with a copy of the charges and specifications shall have been sent to said member or a designated representative at least sixty days before the meeting of the Board where such action is to be considered. A member so accused may appear before the Board and may have legal representation at said meeting, and shall have the right to appeal from the decision of the Board to the Board at its next regular meeting or to the members at the next regular membership meeting of the Institute. The majority decision of the members of the Institute present at such Board or membership meeting shall be final.

b. Any member whose dues remain delinquent for a period of more than one month following the anniversary date shall be deemed to have terminated membership in the Institute; provided, the member has been notified of impending membership termination prior to the anniversary date. Such termination shall not relieve any member of liability for unpaid dues or other obligations in arrears.

## **Article X. Distinguished Membership and Honorary Membership**

### **Section 1. Qualifications for Distinguished Member**

Distinguished Members shall be individuals who have performed distinguished services to the construction industry in fields of activity related to the purposes of the Institute. Membership in the Institute is a requirement for Distinguished Membership.

### **Section 2. Qualifications for Honorary Members**

Honorary Members shall be individuals who have performed distinguished services to the construction industry in fields of activity related to the purpose of the Institute. Those individuals

considered for Honorary Member shall not be members of the Institute.

### **Section 3. Nomination and Election**

Nomination and Election of Nominees for Distinguished Membership and Honorary Membership shall be proposed in writing to the Board in accordance with the schedule for submissions established for the administrative year in which the honor is proposed to be conferred, by a chapter or not less than five voting members. Distinguished Members and Honorary Members shall be elected by an affirmative vote of not less than eighty-five percent (85%) of Board members present at a regularly scheduled Board meeting.

### **Section 4. Rights and Privileges**

An Honorary Member shall have the same rights and privileges as a member, except that an Honorary Member shall not be eligible to vote or hold office. Honorary Members shall, in addition, be entitled to print and otherwise use a suffix to their name, the title Honorary Member of CSI. Distinguished Members shall, in addition, be entitled to print and otherwise use a suffix to their name, the title Distinguished Member following the initials CSI, or FCSI if a Fellow of the Institute. A member elected to Distinguished Membership shall lose all rights and privileges as a member and Distinguished Member if membership is terminated as provided in Article IX, Section 11.a, of these Bylaws. An individual elected to Honorary Membership shall lose all rights and privileges as an Honorary Member if membership is terminated as provided in Article IX, Section 11.a, of these Bylaws.

## **Article XI. Fellowship**

### **Section 1. Jury of Fellows, Composition and Terms of Office**

a. The Jury of Fellows shall consist of three Fellows of the Institute, and three non-Fellows; each to be appointed for a term of three years. Appointments of Fellows and non-Fellows to the Jury of Fellows shall be made so that the term of

office of no more than one Fellow and one non-Fellow shall expire in any year. No members of the Jury shall serve two consecutive terms. Members of the Board shall not serve on the Jury.

b. In the event a member of the Jury of Fellows is unable to serve on the Jury, due to subsequent ineligibility, poor health, or for other valid reason, the President, upon receipt of written request from the chairman of the Jury of Fellows, shall appoint a new member of the Jury to serve, and to complete the unexpired term.

### **Section 2. Qualifications for Fellowship**

A Professional Member who has been in good standing for not less than five years, and who has notably contributed to advancement of construction technology, the improvement of construction specifications, or of education, or by service to the Institute, may be nominated for Fellowship. Members of the Jury of Fellows shall not be eligible for Fellowship during their tenure on the Jury.

### **Section 3. Nomination and Advancement**

a. Nominees for Fellowship in the Institute shall be proposed in writing to the Jury of Fellows by any chapter or by not less than five voting members. The proposal shall be executed in the form required by the Jury.

b. A member may be advanced to Fellowship only by a concurring vote of at least four members of the six-member Jury. If a nominee for Fellowship fails to be advanced by vote of the Jury of Fellows, the nominee shall not be disqualified thereby for later advancement. The nomination shall be reconsidered if it is formally resubmitted to the Jury. If any nominee fails to be advanced to Fellowship after the nomination has been under consideration for three consecutive years, at least two years must elapse before the nomination may again be presented for consideration.

### **Section 4. Rights and Privileges**

a. Fellows of the Institute shall retain the rights and privileges of Professional Members

and shall have the additional right and privilege to print and otherwise use the initials FCSI as a suffix to their names, or to use the title "Fellow of the Construction Specifications Institute."

b. Fellows shall retain all rights and privileges of Fellowship, except voting rights, in the event they terminate their membership in the Institute. Fellows shall lose all rights and privileges of a member and Fellow if their membership is terminated as provided in Article IX, Section 11.a, of these Bylaws.

## **Article XII. Meetings of the Institute**

### **Section 1. Annual Meeting**

The Institute shall meet annually for the transaction of its business at a time and place fixed by the Board. One hundred (100) voting members in good standing who represent at least forty (40) chapters of the Institute shall constitute a quorum.

### **Section 2. Special Meetings**

Special meetings may be called whenever the Board shall deem it necessary, and shall be called upon the written request of the Presidents of any forty (40) chapters to the President of the Institute. The determination of a quorum shall be the same as Section 1 above.

### **Section 3. Announcement of Meetings**

The time and place of the annual meeting and subsequent special meetings shall be announced to the members at least twenty days in advance.

### **Section 4. Order of Business**

The order of business for meetings of the members of the Institute shall be determined by the Board. The order of business may be altered at any meeting by request of a majority of members present. Robert's Rules of Order Newly Revised shall govern, except when otherwise provided in these Bylaws.

## **Article XIII. Fiscal Administration**

### **Section 1. Fiscal Year**

The fiscal year of the Institute shall commence on July 1 of each year or as

determined by the affirmative vote of at least two-thirds of the members of the Board.

### **Section 2. Dues**

a. The dues for each membership classification are set by the Board. Any change in the dues structure must be approved by a two-thirds majority of those members of the Board present at a regularly scheduled meeting.

Members Emeritus, Honorary Members, and Lifetime Members shall not be subject to dues.

b. Annual dues renewal notices shall be mailed to members at least two months in advance of each member's anniversary date and are payable when rendered.

c. Initial dues shall accompany the membership application.

### **Article XIV. Administrative Year**

All Officers and Directors of the Institute shall be elected to hold office for periods beginning on July 1 and ending on June 30 of the respective years.

### **Article XV. Amendments**

a. Proposals for amendments to these Bylaws may be made by the Board, or submitted to the Board in a petition, accompanied with detailed justification for the proposed changes, and signed by not less than one percent (1%) of the members of the Institute who are members from not less than twenty percent (20%) of the chapters of the Institute. Such percentages shall be based on the total number of members and chapters as of the date the petition is received by the Secretary of the Institute. The Board, through the Secretary, shall send the proposed amendments to the voting members of the Institute. Proposed amendments initiated by petition shall include the proponents' rationale and the Board's recommendation.

b. A two-thirds affirmative vote of the valid ballots returned shall be required and received in the Institute office four weeks after the ballot has been sent to amend these Bylaws.

### **Article XVI. Questions Other Than Amendments**

a. Any question which is supported with detailed justification, other than proposed amendments to these Bylaws, may be submitted to the voting members of the Institute when, in the judgment of the Board, such action is warranted.

b. Such qualifying questions shall be sent to all eligible voters together with the proponents' rationale and the Board's recommendation. The question shall be decided by a majority of the votes received in the Institute office four weeks after the ballot has been sent.

### **Article XVII. Indemnification and Fidelity Bond**

#### **Section 1. Indemnification of Directors, Officers and Employees**

a. The Institute shall indemnify every person who is or was a trustee, director, officer, or employee of the Institute, or who is serving or has served at its request as a director, trustee, officer, or employee of any other corporation (hereinafter referred to as "other corporation") against reasonable expenses, including attorneys' fees and disbursements, judgments, decrees, fines, penalties, and amounts paid in settlement, in connection with any pending or threatened claim, action, suit, or proceeding (civil, criminal, administrative, or investigative) in which they may be involved or threatened to be involved, as a party or otherwise, by reasons of being or having been such director, trustee, officer, or employee; provided a determination is made in the manner provided in b. of this Section that such person: (1) was not willfully negligent or guilty of willful misconduct in the performance of duty to the Institute or other corporation of which the individual is or was a director, trustee, officer, or employee, (2) acted in good faith in what they reasonably believed to be the best interest of the Institute or other corporation, (3) in any matter the subject of a criminal action, suit or proceeding, had no reasonable cause to believe that their conduct

was unlawful, and (4) in the case of amounts paid in settlement, that such settlement is or was reasonable and in the best interests of the Institute or other corporation; provided, however, that if at any time any provisions are contained in the laws of the State of Maryland prohibiting indemnification in respect of any claim, action, suit, or proceeding except upon a determination of the extent thereof in the manner provided therein, then indemnification in respect thereof shall be made only in accordance with such provisions.

b. The determination as to (1), (2), (3), and (4) in the preceding paragraph may be made by an adjudication of a court of competent jurisdiction. All determinations, except those made by such prior adjudications, shall be made: (1) by a majority vote of a quorum consisting of disinterested directors of the Institute (namely directors who are or were not parties to or threatened with any such claim, action, suit or proceeding), or (2) if such a quorum is not obtainable or, even if obtainable, if the quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the members in like manner to the procedure for amending the Institute Bylaws. In making a determination, the disinterested directors may conclusively rely upon an opinion as to facts or law or both, of independent legal counsel selected by them. The termination of a claim, action, suit, or proceeding by judgment, settlement, conviction, or upon a plea of guilty or of nolo contendere or its equivalent shall not of itself create a presumption that the trustee, director, officer, or employee was negligent or guilty of misconduct in the performance of duty to the Institute or other corporation while a director, trustee, officer, or employee did not act in good faith in what they reasonably believed to be the best interests of the Institute or other corporation, or, in any manner the subject of a criminal action, suit, or proceeding, had reasonable cause to believe that their conduct was unlawful.

c. Expenses incurred with respect to any claim, action, suit, or proceeding may be advanced by the Institute to the trustee, director, officer, employee or their legal counsel prior to the final disposition thereof upon receipt of an undertaking by the trustee, director, officer, or employee to repay such amount as shall not ultimately be determined to be payable to them hereunder.

d. The rights of indemnification provided hereunder shall not be deemed exclusive of other rights to which any such trustee, director, officer, or employee now or hereafter may be entitled, shall continue to a person who has ceased to be a trustee, officer, director, or employee, and shall inure to the benefit of such person's heirs and legal representatives.

## **Section 2. Fidelity Bond**

Every person entrusted with the handling of funds or property of the Institute shall be bonded in such form and in such amount and with surety satisfactory to the Board, of any fraudulent or dishonest act or acts committed against the Institute while acting alone or in collusion with others; the cost of said bond to be paid by the Institute.

## **Article XIII. Numbering of Articles and Sections**

The Board is authorized to number the articles and sections of these Bylaws to correspond with any changes that may be made.