

**BYLAWS
of the
SOUTH CENTRAL CHAPTER
of the
ADSC-IAFD, INC.**

These Bylaws (referred to as the "Bylaws") govern the affairs of the South Central Chapter of the ADSC-IAFD, Inc, a non-profit corporation (referred to as the "Corporation") organized under the Texas Business Organizations Code, Chapter 22 (referred to as the "Act").

**ARTICLE 1
OFFICES**

1.01. Principal Office. The principal office of the Corporation in the State of Texas shall be located at 8445 Freeport Parkway, Suite 325, Irving, TX 75063. The Corporation may have such other offices, either in this State or elsewhere, as the Board of Directors may determine. The Board of Directors may change the location of any office of the Corporation.

1.02. Registered Office and Registered Agent. The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in the State of Texas. The registered office may, but need not, be identical with the Corporation's principal office in the State of Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

**ARTICLE 2
NONPROFIT PURPOSES**

2.01. Tax Exemption. The Corporation is organized for the purpose of performing one or more activities within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (hereinafter the "Code"). The purposes and basic policies of the Corporation shall in every case be aligned with the purposes and basic policies of the ADSC-The International Association of Foundation Drilling (formerly called Association of Drilled Shaft Contractors, Inc.), a non-profit corporation organized under the Texas Business Organizations Code, Chapter 22 (hereinafter referred to as "National ADSC"). This Corporation's purposes, policies and activities shall not be in conflict with those of National ADSC. This Corporation's served region shall be the States of Texas, Louisiana and Oklahoma hereinafter referred to as "Served Region." Consistent with this alignment of tax-exempt purposes under Section 501(c)(6) of the Code, the specific exempt purposes of the Corporation include, but may not be limited to, the following:

- (a) To protect, promote, foster, and advance the interest of persons, firms, or corporations engaged in the business of drilled shaft and/or anchored earth retention, including micropiles and soil nailing, for construction for buildings, homes, bridges, or other structures or improvements;

- (b) To encourage the design and construction of drilled shaft and/or anchored earth retention, including micropiles and soil nailing, and improve the conditions under which the industry operates;
- (c) To foster ethical business practices;
- (d) To improve processes for the peaceful settlement of disputes between members, or between them and their employees or customers;
- (e) To study ways and means to protect the industry against unfair and unjust burdens and exactions;
- (f) To collect and disseminate scientific and industrial data to the industry;
- (g) To promote a better understanding and positive relations between members of the industry;
- (h) To promote good understanding and mutually beneficial relations between the members and their clients;
- (i) The operation of the Corporation shall be for the mutual benefit of all the members of the Corporation and any excess funds which the Corporation shall acquire by gift, devise, or membership dues shall be used for the general purposes of the Corporation at the discretion of the Board of Directors for educational purposes, grants, gifts, or endowments to educational institutions, or the furthering of the scientific development of the industry, or otherwise consistent with the purposes of the Corporation.
- (j) To conduct, sponsor, foster and promote education and training of members and their clientele that furthers the above stated goals and purposes.
- (k) To educate the Corporation's members and their clientele regarding the latest technologies and trends in the industry.

The Corporation pledges that all its assets will be used exclusively for its exempt purposes.

2.02. Prohibited Purposes. The Corporation shall not pay dividends or other corporate income to its officers or otherwise accrue distributable profits or permit the realization of private gain. Further, the Corporation shall have no power to:

- (a) Engage in activities or use its assets in manners that are not in furtherance of one or more exempt purposes, as set forth above and defined by the Code, the Treasury Regulations promulgated thereunder, and/or any related IRS pronouncements, except to an insubstantial degree.
- (b) Serve a private interest other than one that is clearly incidental to an overriding public interest.

- (c) Devote any substantial part of its activities to attempting to influence legislation by propaganda or otherwise.
- (d) Participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. The prohibited activities include the publishing or distributing of statements and any other direct or indirect campaign activities.
- (e) Have objectives that characterize it as an “action organization” as defined by the Code, the Treasury Regulations promulgated thereunder, and/or any related IRS pronouncements.
- (f) Distribute its assets on dissolution other than described herein.
- (g) Permit any part of the net earnings of the Corporation to inure to the benefit of any private individual.
- (h) Carry on an unrelated trade or business except as a secondary purpose related to the Corporation’s primary, exempt purposes.

ARTICLE 3 MEMBERS

3.01 Members and Affiliation with National ADSC. The corporation shall have members. The members’ rights and classifications are defined in these Bylaws. All members of this Corporation shall be members of National ADSC and shall pay any National ADSC dues determined by National ADSC for each affiliated local unit or chapter. This Corporation shall pay current dues, any mandatory conference dues, and other reasonable dues or fees, and failure to pay these dues in a timely manner shall constitute grounds for suspension or termination of affiliation with National ADSC.

3.02. Recognition of Competition. The Corporation and all its members recognize the vital importance of vigorous competition between members of the Corporation, as well as between everyone in the industry, whether members of this Corporation or not, this Corporation and its members shall not engage in any activities prohibited by law, either Federal, State, or International, and in this regard nothing in these Bylaws shall be construed or applied to in any way restrict or impair the sound and healthy competition between competitors required by our Anti-Trust Laws which are so necessary for the preservation of the free enterprise system which benefits the society of which we are all a part.

3.03. Qualifications of Members. The rights and classes of the members shall be as set forth in these Bylaws. Membership in any class of membership may be denied by the Board of Directors if it is the determination and findings of the Board that a potential member is detrimental to the interests of the Corporation. The decision of the Board of Directors to admit or deny membership in the Corporation shall be conclusive, final and binding. The dues and qualifications for each member class and the benefits to be received by each class shall be determined in the sole

discretion of the Board of Directors. Each member agrees to abide and be governed by these Bylaws, as may be amended, with respect to the corporate governance and operations of the Corporation.

3.04. Classifications of Members. Members of the Corporation shall be classified as follows:

- (a) Corporate Contractor Member: These member shall consist of companies or corporations engaged in specialty subcontracting for the installation of drilled shafts and/or anchored earth retention systems, including micropiles and soil nailing. Unless otherwise noted herein, “Contractor Member” refers to Corporate Contractor Member. Each Contractor Member that has at least one business office located in the Served Region shall have one vote on matters submitted to the members for a vote by the Board of Directors including the election of members of the Board of Directors.
- (b) Individual Contractor Members: These members must be an employee of a Corporate Contractor Member. Individual Contractor Members shall have no vote in any matter of the Corporation’s business. Individual Contractor Members will receive benefits in the Corporation such as those set forth by the Board of Directors.
- (c) Corporate Associate Members: These members shall consist of companies or corporations engaged in the manufacture and/or supplying of materials and/or services to the drilled shaft and/or anchored earth retention, including micropiles and soil nailing, industry. Unless otherwise stated in these Bylaws, “Associate Member” refers to Corporate Associate Member. Each Corporate Associate Member that has at least one business office located in the Served Region shall have one vote on matters submitted to the members for a vote by the Board of Directors including the election of members of the Board of Directors. Upon Board Approval, voting privileges may be extended to Corporate Associate Members residing outside the Served Region, provided they regularly do business within this area and maintain regular involvement by attending a minimum of two (2) Chapter Meetings per year. A Corporate Associate Member may be elected to the Board of Directors, and as an elected Director, may vote on matters that come before the Board for a vote.
- (d) Individual Associate Members: These members must be an employee of a Corporate Associate Member firm. Individual Associate Members shall have no vote in any matter of the Corporation’s business. Individual Associate Members will receive benefits in the Corporation such as those set forth by the Board of Directors.
- (e) Corporate Technical Affiliate Members: These members shall consist of companies and/or corporations that are not regularly performing as foundation drilling and/or anchored earth retention including micropile and soil nailing contractors, but are established as testing companies, architectural firms, government agencies, and academic institutions engaged in activities related to drilled shaft and/or anchored earth retention, including micropiles and soil nailing. Corporate Technical Affiliate Members shall have no vote in any matter of the Corporation’s business, including in the election of members of the Board of Directors. Corporate Technical Affiliate Members may be elected to the

Board of Directors, and as an elected Director, may vote on matters that come before the Board for a vote.

- (f) Individual Technical Affiliate Members: These members shall consist of employees not regularly employed by an Associate or Contractor Member or any company and/or corporations that would be classified as such but by testing companies, architectural firms, government agencies, and academic institutions engaged in activities related to drilled shaft and/or anchored earth retention, including micropiles and soil nailing. Individual Technical Affiliate Members shall have no vote in any matter of the Corporation's business, including in the election of members of the Board of Directors. An Individual Technical Affiliate Member may be elected to the Board of Directors, and as an elected Director, may vote on matters that come before the Board for a vote.
- (g) Technical Affiliate Student Memberships: These members must be enrolled, either full or part time, in a college, university or other secondary education program as determined by the Board of Directors, and must complete any membership application and pay all required dues adopted by the Board of Directors. These members shall have no vote in any matter of the Corporation's business, including in the election of members of the Board of Directors. Technical Affiliate Student Members are ineligible to serve as Directors of the Corporation. Technical Affiliate Student Members will receive benefits in the Corporation such as those set forth by the Board of Directors.
- (h) Members Emeritus: These are retired members of the Corporation upon whom has been bestowed the honorary membership of Emeritus by the Board of Directors. Members Emeritus shall have no vote in any matter of the Corporation's business, including in the election of members of the Board of Directors. However, a Member Emeritus may be elected to the Board of Directors, and as an elected Director, may vote on matters that come before the Board for a vote. Members Emeritus are eligible to participate in the Corporation at all levels similar to any other non-voting member in good standing.

3.05. General Membership Administration. Applications for admission as a member shall be made on forms provided for that purpose. All applicants eligible and approved by the vote of the Board of Directors shall, upon payment of the prescribed dues and/or assessments, become members of the Corporation. The Board of Directors or its designee shall keep all members advised as to the receipt and disposition of the member's respective membership applications. Each new applicant for membership shall be entitled to examine a copy of the Bylaws. All applications for membership must be accompanied by a check or other payment for the amount of the initiation or first year membership fees as shall be fixed from time to time by the Board of Directors.

3.06. Termination of Membership. A "member in good standing" is a person or business whose dues, fees and all applicable applications are current. Membership shall terminate by the member's written request, death, expulsion, resignation, and for other cause found by the Board of Directors at its discretion. Termination of membership shall not affect the contract rights of the member or the Corporation existing at the time of termination. The Corporation, by and through the Board of Directors or its designee for this purpose, may terminate a member's membership for

failing to pay the prescribed dues, which may be accomplished according to the policies and procedures adopted by the Board for termination for failing to pay dues.

3.07. Certificate of Membership. The Corporation and National ADSC may provide certificates evidencing membership if so requested by a paid member. Membership certificates shall be dated with original membership date. If a certificate is lost, mutilated, or destroyed, a new certificate may be issued upon request and at a charge determined by the Board of Directors.

3.08. Voting Rights of Members. Each member of the Corporation, regardless of class, is entitled to one vote on each matter submitted to a vote of the Corporation's members, except to the extent that the voting rights of members of a class are limited, enlarged, or denied by these Bylaws or any Articles of Incorporation of this Corporation. A member entitled to vote may vote by proxy executed in writing by the member or by another method of member voting defined herein. No proxy shall be valid after eleven months from the date of its execution. Except as expressly allowed herein or required by law, the Board of Directors shall determine what issues shall be presented for vote by the members.

3.09. Method of Member Voting. At the discretion of the Board of Directors, with the exception of voting on proposed bylaw amendments and as may be allowed by law, member votes may be conducted in person, by mail, by facsimile transmission, by electronic message (e-mail), or by any combination of those methods.

3.10. Non-assignment of Membership. Membership is not transferable or assignable. Each membership terminates on the dissolution of this Corporation or the death of the member. Membership is not a property right that may be transferred after a member's death. In the event that the business of any member firm or corporation shall be sold, consolidated or the control thereof passed to any new firm or corporation, this Corporation shall be immediately notified.

3.11. Assessments and Dues. The amount and method of scheduling dues and collection shall be fixed from time to time by the Board of Directors and set forth in a dues structure document kept current by the Board of Directors. The Board of Directors shall recommend the annual assessment of such dues within the limits of the Bylaws for the approval of the Corporation at the Board of Director's Annual Meeting. Member dues shall be paid to the Corporation and handled as the Board of Directors may direct consistent with these Bylaws.

3.12. Annual Meeting of the Members. The Board of Directors shall schedule an annual meeting of the members, which will be held in the first Quarter of each fiscal year and at a time and place designated by the Board of Directors. At the annual meeting, the president of the Corporation shall preside, or if the president is unable or unwilling to preside, the vice president will preside, and the members shall transact any business that shall come before or be presented to the members at the meeting by the Board of Directors.

3.13. Regular Meetings of the Members. The Board of Directors shall schedule one or more additional meeting of the members, which will be held and at a time and place designated by the Board of Directors. At these additional meetings, the president of the Corporation shall preside, or if the president is unable or unwilling to preside, the vice president will preside, and the members

shall transact any business that shall come before or be presented to the members at the meeting by the Board of Directors.

3.14. Notice of Regular Meetings. Written or printed notice of any meeting of the members shall be delivered to each member entitled to vote at the meeting not less than thirty (30) days before the date of the meeting. Notice of any meetings may be delivered in person, in writing, by e-mail, or other reasonable means allowed by law. The notice shall state the place, date and time of the meeting and the general purpose or purposes for which the meeting is called.

3.15. Quorum of Members. When a membership meeting has been properly noticed, the members with voting rights present shall constitute a quorum for the transaction of business. A majority vote of members in good standing present at the meeting at which a quorum is present shall be sufficient to constitute an act of membership, unless a higher percentage is required herein or under applicable law.

3.16. Special Meeting of the Members. A special meeting of the members may only be called by the president, the Board of Directors, or members constituting not less than twenty percent (20%) of the total voting membership of the Corporation. Notice of any special meeting shall state the place, day, and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called.

3.17. Order of Business at the Annual Meeting. Except as otherwise provided herein, *Sturgis' Standard Code of Parliamentary Procedure* shall govern in any question of parliamentary procedure. For guidance and not as a mandate, the order of business at the Annual Meeting of the Corporation is generally as follows:

- (a) Call to Order.
- (b) Roll Call.
- (c) President's Report.
- (d) Treasurer's Report.
- (e) Old Business.
- (f) New Business.
- (g) Adjournment.

3.22. Use of the Name, Logo, and Property. Use of name, initials, logo, insignia, and other property of the Corporation is reserved for the Corporation, its members, National ADSC, and official affiliated chapters in good standing as determined by the Board of Directors of the Corporation. Use of name, initials, logo, insignia, and other property of National ADSC are reserved for Chapters, in good standing, of National ADSC and its members as may be determined by National ADSC. Any use of the name, initials, logo, insignia, and other property of the Corporation

shall be conditioned upon a separate written agreement between the member or chapter unit and the Corporation. No alteration or modification to the name, logo, or trademarks of the Corporation shall be permitted except with the express written permission of the Board of Directors of the Corporation.

ARTICLE 4 DIRECTORS

4.01. Management. The Board of Directors of this Corporation, also referred to herein as the “Board”, shall manage the Affairs of the Corporation.

4.02. Number, Qualifications, and Tenure of Directors. The powers of the Corporation shall be exercised by or under the authority of, and the property, business and affairs of the Corporation shall be managed under the direction of a board of not less than six (6) and not more than twelve (12) directors, as may be determined by the Board of Directors from time to time, provided that the number of directors shall not be decreased to less than six (6) and that no decrease in the number of directors shall have the effect of shortening the term of any incumbent director. The Board shall consist of no less than 2/3rds Contractor Members. The president shall be a director and count towards the minimum and maximum number allowed under this provision. A term for a Director position shall be three years. Each Director may serve only two consecutive terms, or six years, whichever is longer. After an intervening period of one year, a former Board member is eligible to serve two more consecutive terms as provided herein. Notwithstanding the foregoing, the Board of Directors may request that a Director or an officer stand for election for additional consecutive terms if, in the opinion of the Board of Directors, the person’s continued service on the Board is deemed to be of exceptional benefit to the Corporation. Elections for Director positions may be staggered in the manner determined by the Board.

4.03. Nomination of Directors. The directors may nominate the successor directors. At any meeting at which the election of a director occurs any member may nominate a person with the second of any other member. In addition to nominations made at meetings, a nominating committee consisting of at least the immediate past president shall prepare a list of willing nominees for distribution prior to the annual meeting.

4.04. Election of Directors. A person who meets the qualification requirements to be a director and who has been duly nominated may be elected as a director. Directors shall be elected by the vote of the Corporate Contractor and Associate Members with voting rights. Directors shall be elected at the annual meeting of the Members. Each director shall hold office until a successor is elected and qualified. A director may be elected to succeed himself or herself as director.

4.05. Vacancies. Vacancies on the Board of Directors shall exist upon: (a) the death, resignation, or removal of any Director; (b) an increase in the authorized number of Directors; or (c) the failure of the Directors to elect the full authorized number of Directors to be voted for at any annual, regular, or special meeting of the Board of Directors at which any Director is to be elected. The Board of Directors may declare the office of a Director vacant if a court adjudges the Director incompetent, is convicted of a crime involving moral turpitude, or does not accept the office of Director, in writing or by attending a meeting of the Board of Directors, within thirty (30) days notice of election. Any vacancy occurring in the Board of Directors, and any director position to be filled

due to an increase in the number of directors, shall be filled by the Board of Directors (subject, however, to the limitations set forth in the Act). A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board of Directors, or if it is a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office. Vacancies reducing the number of Directors to less than three (3) shall be filled before the transaction of any other business.

4.06. Regular Meeting. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meetings shall be held in the DFW area, State of Texas, unless otherwise agreed by the Board, and may be held by conference call if the resolution does not specify the location of the meetings. No notice of regular meetings of the Board is required other than a resolution of the Board of Directors stating the time of the meetings or conference calls.

4.07. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. A person or persons authorized to call special meetings of the Board of Directors shall fix any place within the Dallas-Fort Worth area, State of Texas as the place for holding a special meeting, unless otherwise agreed by the Board. The person or persons calling a special meeting shall notify the secretary of the information required to be included in the notice of the meeting. The secretary shall give notice to the directors as required in the Bylaws.

4.08. Action by Consent of Board Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, and with the same force and effect as a unanimous vote of Directors, if all members of the Board consent in writing or by E Mail to the action. Such consent may be given individually or collectively.

4.09. Notice. Written or printed notice of any special meeting of the Board of Directors shall be delivered to each director not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called.

4.10. Quorum. A majority of the number of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the Directors present may adjourn and reconvene the meeting one time without further notice. A proxy vote does not count towards the quorum.

4.11. Conduct of Meetings. At every meeting of the Board of Directors, the President of the Corporation, shall preside, and if not, the Vice President. The Secretary of the Corporation shall act as Secretary of the Board of Directors. When the Secretary is absent from any meeting, the President, or the person presiding, may appoint any person to act as Secretary of the meeting.

4.12. Powers of Board of Directors. In addition to the powers and authorities expressly conferred by these Bylaws upon them, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not directed or required to be exercised or done by statute, the Articles of Incorporation, or these Bylaws.

4.13. Duties of Directors. Directors shall discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the Corporation, its purpose, and its Members. Ordinary Care is defined as care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In the discharge of any duty imposed or power conferred on Directors, they may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by a variety of persons, including officers and employees of the Corporation, professional advisors or experts such as accountants or attorneys. A Director is not relying in good faith if the Director has knowledge concerning a matter in question that renders reliance unwarranted.

Directors are not deemed to have the duties of trustees of a trust with respect to the Corporation or with respect to any property held or administered by the Corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property.

4.14. Duty to Avoid Improper Distributions. Directors who vote for or assent to improper distributions, are jointly and severally liable to the Corporation for the value of improperly distributed assets, to the extent that debts, obligations, and liabilities of the Corporation are not thereafter paid and discharged. Any distribution made when the Corporation is insolvent, other than in payment of corporate debts, or any distribution that would render the Corporation insolvent is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for all known debts, obligations, and liabilities, is also improper. Directors participating in a board meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the Secretary before adjournment or mailed to the Secretary by registered mail or E Mail immediately after adjournment.

A Director is not liable if, in voting for or assenting to a distribution, the Director (1) relies in good faith and with Ordinary Care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Corporation; legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or a committee of the Board of Directors of which the Director is not a member; (2) while acting in good faith and with Ordinary Care, considers the assets of the Corporation to be at least that of their book value; or (3) in determining whether the Corporation made adequate provision for payment, satisfaction, or discharge of all of its liabilities and obligations, relied in good faith and with Ordinary Care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, Directors are protected from liability if, in the exercise of Ordinary Care, they acted in good faith and in reliance on the written opinion of an attorney for the Corporation.

Directors who are held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

4.15. Delegation of Duties. Directors are entitled to select advisors and delegate duties and responsibilities to them, such as the full power and authority to purchase or otherwise acquire stocks, bonds, securities, and other investments on behalf of the Corporation; and to sell, transfer, or otherwise dispose of the Corporation's assets and properties at a time and for a consideration that the advisor deems appropriate. The Directors have no liability for actions taken or omitted by the advisor if the Board of Directors acts in good faith and with Ordinary Care in selecting the advisor. The Board of Directors may remove or replace the advisor, with or without cause.

4.16. Actions of Board of Directors. The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the Bylaws. A Director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors. For the purpose of determining the decision of the Board of Directors, a Director who is represented by proxy in a vote is considered present.

4.17. Proxies. A Director may vote by proxy executed in writing by the Director. No proxy shall be valid after three (3) months from the date of its execution.

4.18. Compensation. Directors may not receive salaries for their services as a director. A Director may serve the Corporation in any other capacity and receive compensation for those services. A director may be reimbursed expenses incurred by him to attend a Corporation's meeting subject to approval by the Board.

4.19. Removal of Directors. The Board of Directors may vote to remove a Director at any time, with or without cause. A meeting to consider the removal of a Director may be called and with notice to the Board members. The notice of the meeting shall state that the issue of possible removal of the Director will be on the agenda. A Director may be removed by the affirmative vote of a majority of the Board of Directors.

4.20. Advisory Directors. The Board of Directors may elect advisory directors as they see fit. The Advisory Directors shall not have a vote, but may attend all Board of Director meeting and participate in the discussion like the regular directors.

ARTICLE 5 OFFICERS

5.01. Officer Positions. The officers of the Corporation shall include a President, a Secretary, a Treasurer and one Vice President. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill

the positions. The same person, except the same person shall not simultaneously hold the offices of President and Secretary.

5.02. General Duties. All officers and agents of the Corporation, as between themselves and the Corporation, shall have such authority, perform such duties and manage the Corporation as may be provided in these Bylaws or as may be determined by resolution of the Board of Directors not inconsistent with these Bylaws.

5.03. Election and Term of Office. The Board of Directors at its regular annual meeting shall elect the officers of the Corporation. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly selected and qualified. An officer may be elected to succeed himself or herself in the same office.

5.04. Removal. The Board of Directors, with or without good cause, may remove any officer elected or appointed by the Board of Directors. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.

5.05. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect at the time specified in the notice, and, unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation.

5.06. Vacancies. The Board of Directors may fill the vacancy in any office for the unexpired portion of that officer's term.

5.07. President. The President shall be the chief executive officer of the Corporation and a member of the Board of Directors. The President shall supervise and control all of the business and affairs of the Corporation. The President shall preside at all meetings of the members and of the Board of Directors. The President may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed. However, the President may not execute instruments on behalf of the Corporation if this power is expressly delegated to another officer or agent of the Corporation by the Board of Directors, the Bylaws, or statute. The President shall perform other duties prescribed by the Board of Directors and all duties incident to the office of President.

5.08. Vice President. When the President is absent, is unable to act, or refuses to act, a Vice President may perform the duties of the President. When a Vice President acts in place of the President, the Vice President shall have all the powers of and be subject to all the restrictions upon the President. If there is more than one Vice President, the Vice Presidents shall act in place of the President in the order of the votes received when elected. A Vice President shall perform other duties as assigned by the President or Board of Directors.

5.09. Treasurer. The Treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- (b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- (c) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided in the Bylaws or as directed by the Board of Directors, the Chairman or the President.
- (d) Write checks and disburse funds to discharge obligations of the Corporation.
- (e) Maintain the financial books and records of the Corporation.
- (f) Prepare financial reports at least annually.
- (h) Perform other duties as assigned by the President or by the Board of Directors.
- (i) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.
- (j) Perform all the duties incident to the office of Treasurer.

5.10. Secretary. The Secretary shall:

- (a) Give all notices as provided in the Bylaws or as required by law.
- (b) Take minutes of the meetings of the members and of the Board of Directors and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporate records and of the seal of the Corporation.
- (d) Affix the seal of the Corporation to all documents as authorized.
- (e) Keep a register of the mailing address of each Director, officer, and employee of the Corporation.
- (f) Perform duties as assigned by the President or by the Board of Directors.
- (g) Perform all duties incident to the office of Secretary.

5.11. Assistant Officers. The Board of Directors may appoint one or more assistant secretaries and one or more assistant treasurers. Each assistant secretary and each assistant treasurer

shall hold office for such period as the Board of Directors may prescribe. Any assistant secretary may perform any of the duties or exercise any of the powers of the Secretary or otherwise as occasion may require in the administration of the business and affairs of the Corporation, and any assistant treasurer may perform any of the duties or exercise any of the powers of the Treasurer at the request or in the absence or disability of the Treasurer or otherwise as occasion may require in the administration of the business and affairs of the Corporation. Each assistant secretary and each assistant treasurer shall perform such other duties and/or exercise such other powers, if any, as the Board of Directors shall prescribe. To establish the authority of an assistant secretary or an assistant treasurer to take any action on behalf of the Corporation in place of the Secretary or the Treasurer, as the case may be, it shall not be necessary to furnish proof of any request by, or of the absence or disability of, the Secretary or Treasurer or any other assistant secretary or assistant treasurer, respectively.

5.12. Salaries. No payment of salaries shall be made to any Officer for time and/or services rendered for the benefit of the Corporation.

5.13. Disallowed Payments. Any payments made to an officer of the Corporation such as commission, bonus, interest or rent, or expense reimbursement incurred by him, which is disallowed in whole or in part as an acceptable expense by the Internal Revenue Service, shall be reimbursed by such officer to the Corporation to the full extent of such disallowance. It shall be the duty of the Directors, as a Board, to enforce payment of each such amount disallowed.

ARTICLE 6 COMMITTEES

6.01. Establishment of Committees. The Board of Directors may adopt a resolution establishing one or more committees, delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include one or more Directors and may include persons who are not Directors. If the Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of Directors. The Board of Directors may establish qualifications for membership on a committee. The Board of Directors may delegate to the President and/or committee members its power to appoint and remove members of a committee that has not been delegated any authority of the Board of Directors. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual Director, of any responsibility imposed by the Bylaws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:

- (a) Amend the Articles of Incorporation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation.
- (d) Authorize the voluntary dissolution of the Corporation.
- (e) Revoke proceedings for the voluntary dissolution of the Corporation.
- (f) Adopt a plan for the distribution of the assets of the Corporation.
- (g) Amend, alter, or repeal the Bylaws.
- (h) Elect, appoint, or remove a member of a committee unless specifically delegated the authority to do so.
- (i) Elect, appoint, or remove a Board appointed committee chairman, a Director or officer of the Corporation.
- (j) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in paragraph 6.05, below.
- (k) Take any action outside the scope of authority delegated to it by the Board of Directors.

6.02. Term of Office. Each member of a committee shall continue to serve on the committee until a successor is appointed or the committee is terminated. However, the term of a committee member may terminate earlier if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same

manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

6.03. Chair and Vice-Chair. One member of each committee shall be designated as the chair of the committee and another member of each committee shall be designated as the vice-chair. The chair and vice-chair shall be elected by the members of the committee or appointed by the President of the Corporation. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to all the restrictions upon the chair.

6.04. Notice of Meetings. Written or printed notice of a committee meeting shall be delivered to each member of a committee not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, and the purpose or purposes for which the meeting is called.

6.05. Quorum. One half of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present either in person or by teleconference at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. If a quorum is present at no time during a meeting, the chair may adjourn and reconvene the meeting one time without further notice.

6.06. Actions of Committees. Committees shall try to take action by consensus. However, the vote of a majority of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or the Bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

6.07. Proxies. A committee member may vote by proxy executed in writing by the committee member. No proxy shall be valid after eleven (11) months from the date of its execution.

6.08. Compensation. Committee members may not receive salaries for their services. The Board of Directors may adopt a resolution providing for payment to committee members of a fixed sum and expenses of attendance, if any, for attendance at each meeting of the committee. A committee member may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a committee member shall be commensurate with the services performed and shall be reasonable in amount.

6.09. Rules. Each committee may adopt rules for its own operation not inconsistent with the Bylaws or with rules adopted by the Board of Directors.

ARTICLE 7

TRANSACTIONS OF THE CORPORATION

7.01. Contracts. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

7.02. Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board of Directors selects.

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

7.04. Loans and Related Parties. The Corporation shall not make any loan to a Director or officer of the Corporation.

7.05. Affiliated Transactions. No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, partnership or association or other organization in which one or more of its Directors or officers are Directors or officers, or have a financial interest, shall be void or voidable solely for this reason, if:

- (a) The material facts concerning the financial interests are disclosed to the Board of Directors or committee and the Board of Directors or committee authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Directors or committee members.
- (b) The contract or transaction is fair to the Corporation at the time of the approval. Nothing herein shall prevent retroactive approval of a transaction.
- (c) The interested Director or committee member that is present may be counted towards a quorum for purposes of voting on the contract or transaction. The interested Director or committee member may participate in the discussion of the matter, but may not vote.

7.06. Prohibited Acts. As long as the Corporation is in existence, and except with the prior approval of the Board of Directors no Director, officer, or committee member of the Corporation shall:

- (a) Do any act in violation of the Bylaws or a binding obligation of the Corporation.
- (b) Do any act with the intention of harming the Corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.

- (d) Receive an improper personal benefit from the operation of the Corporation.
- (e) Use the assets of this Corporation, directly or indirectly, for any purpose other than carrying on the business of this Corporation.
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (g) Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
- (h) Disclose any of the Corporation business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE 8 BOOKS AND RECORDS

8.01. Required Books and Records. The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the Articles of Incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- (b) A copy of the Bylaws, and any amended versions or amendments to the Bylaws.
- (c) Minutes of the proceedings of the Board of Directors, and committees having any of the authority of the Board of Directors.
- (d) A list of the names and addresses of the Directors, officers, and any committee members of the Corporation.
- (e) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.
- (f) A financial statement showing the income and expenses of the Corporation for the most recent fiscal years.
- (g) All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status.

- (h) The Corporation's federal, state, and local information or income tax returns for each of the Corporation's three most recent tax years.

8.02. Inspection and Copying. Any Director, officer or member of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the Bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Corporation and if the person submits a request in writing. Any person entitled to inspect and copy the Corporation's books and records may do so. A person entitled to inspect the Corporation's books and records may do so at a reasonable time no later than required by Internal Revenue Regulation after the Corporation's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying the Corporation's books and records by members. The fees may cover the cost of materials and labor, but may not exceed the Internal Revenue Service guidelines for providing copies. The Internal Revenue Service requires that copies to be made available to the legitimate, requesting public. The Corporation shall receive and respond as required by Internal Revenue Service guidelines to requests from the public for copies of the Corporation's Form 1023 and Form 990. The Corporation shall maintain a file containing all documents required by the Internal Revenue Service to be made available to the public.

ARTICLE 9 FISCAL YEAR

The fiscal year of the Corporation shall begin January 1 and end December 31 each year.

ARTICLE 10 INDEMNIFICATION

The Corporation shall indemnify a director, officer, committee member, employee, or agent of the Corporation who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Corporation, and such indemnification shall be to the maximum extent allowed by the Act or other applicable law. The Corporation shall have the power to purchase and maintain at its expense, insurance on behalf of such persons to the fullest extent permitted by applicable law.

ARTICLE 11 NOTICES

11.01. Notices. Any notice required or permitted by the Bylaws to be given to a Director, officer, committee member, or member of the Corporation may be given in any manner allowed by the Act. Notice of a meeting that is: (1) mailed is considered to be given on the date notice is deposited in the United States mail with postage paid in an envelope addressed to the person at the person's address as it appears on the membership records of the Corporation; and (2) transmitted by facsimile or electronic message is considered to be given when the facsimile or electronic message is transmitted to a facsimile number or an electronic message address provided by the person, or to which the person consents, for the purpose of receiving notice. If notice is served by facsimile or electronic message, the person giving notice shall retain any records produced showing actual

delivery to the appropriate number or electronic message address. A person may designate his or her preferred notice method and shall provide all necessary information regarding the same by giving written notice to the Secretary of the Corporation. Without a preference designation, the person serving the notice may give notice by any reasonable means authorized by law or these Bylaws.

11.02. Signed Waiver of Notice. Whenever any notice is required to be given under the provisions of the Act or under the provisions of the Articles of Incorporation or the Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

11.03. Waiver of Notice by Attendance. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE 12 SPECIAL PROCEDURES CONCERNING MEETINGS

12.01. Meeting by Electronic Means. The Board of Directors, and any committee of the Corporation, may hold a meeting by telephone conference call or other electronic means in which all persons participating in the meeting can hear each other. The notice of a meeting by electronic means conference must state the fact that the meeting will be held by electronic means as well as all other matters required to be included in the notice. Participation of a person in a conference call meeting constitutes presence of that person at the meeting. The same quorum and voting rules apply as would for traditional committee and Board meetings.

12.02. Voting by Proxy. A person who is authorized to exercise a proxy may not exercise the proxy unless the proxy is delivered to the officer presiding at the meeting before the business of the meeting begins. The Secretary or other person taking the minutes of the meeting shall record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy. If a person who has duly executed a proxy personally attends a meeting, the proxy shall not be effective for that meeting. A proxy filed with the secretary or other designated officer shall remain in force and effect until the first of the following occurs:

- (a) An instrument revoking the proxy is delivered to the secretary or other designated officer.
- (b) The proxy authority expires under the terms of the proxy.
- (c) The proxy authority expires under the terms of the Bylaws.

ARTICLE 13 AMENDMENTS TO BYLAWS

13.01. National ADSC Approval of Amendments. To ensure coordination of the nonprofit purposes of this Corporation and National ADSC (and not as a means of control otherwise of this

Corporation by National ADSC), the bylaws of this Corporation and all amendments thereto shall be subject to approval by the National ADSC, either through its Bylaws and Policy Committee or other designated body. The basis for the rejection of a proposed amendment must be based solely on legal conflicts that jeopardize the nonprofit status of either party. One copy of proposed amendments should be submitted to the National ADSC for its review and approval before any presentation for vote by convention delegates or otherwise.

13.02. Adoption of Amendments to National ADSC Bylaws.

13.02.1. The adoption of an amendment to any provision of the bylaws of the National ADSC that results in a legal conflict with these bylaws shall receive immediate review and resolution by the Board. In this instance, the Board shall have the power to amend the conflicting provisions of these bylaws a two-thirds (2/3) majority vote of the Board so that they are in legal compliance with the National Bylaws. A member vote is not required, however the Board may elect to proceed with one if deemed appropriate.

13.02.2. The adoption of an amendment to any provision of the bylaws of the National ADSC that does not result in a legal conflict with these bylaws shall be reviewed by the Board and discussed at the next meeting of the Board. Should the Board deem the amendment to the bylaws of the National ADSC appropriate for inclusion in these bylaws, the standard amendment procedure shall be followed.

13.03. Procedure to Amend Bylaws. Proposed amendments or alterations to or repeals of these Bylaws, if recommended by twenty percent (20%) or more of the Corporate Contractor and Associate Members in good standing or by the Board of Directors, shall be referred to the Corporation for action or adoption either at a meeting, or by letter ballot, and shall become operative when approved by three-fourths (3/4) vote of the Corporate Contractor and Associate Members that cast votes, either in person or by mail in letter ballot, at a meeting of the members in which a membership quorum is present. The notice of any meeting at which the Bylaws are to be altered, amended, or repealed, or at which new Bylaws are adopted shall meet the thirty (30) day requirement for member meetings and include the text of the proposed Bylaw provisions and associated mail in letter ballot or an identification of where such provisions and ballots may be reviewed and printed, such as a web-link or the like. Additionally, the notice may include a fair summary of those provisions. Notice of any approved amendments shall be provided to the members.

ARTICLE 14
MISCELLANEOUS PROVISIONS

14.01. Legal Authorities Governing Construction of Bylaws. The Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors,

as they may be amended from time to time.

14.02. Legal Construction. If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.

14.03. Headings. The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws.

14.04. Gender. Wherever the context requires, all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

14.05. Seal. The Board of Directors may provide for a corporate seal.

14.06. Power of Attorney. A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the Secretary of the Corporation to be kept with the Corporation records.

14.07. Parties Bound. The Bylaws shall be binding upon and inure to the benefit of the Directors, officers, committee members, members, employees, and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the Bylaws.

ARTICLE 15 DISSOLUTION

15.01. Upon dissolution, all Corporation assets shall be distributed to (1) National ADSC so long as National ADSC is an organization qualified as exempt from taxes under Section 501(c)(6) of the Code at the time of dissolution; otherwise, (2) to an organization qualified as exempt from taxes under Section 501(c)(6) of the Code, that serves similar purposes as the Corporation.

CERTIFICATE OF SECRETARY

I hereby certify that I am duly elected and acting Secretary of said corporation and that the foregoing Bylaws, comprised of twenty-two (22) pages, constitute the Bylaws of said Corporation as duly adopted by the Board of Directors at a meeting held on _____.

DATED: _____

[Signature]

[Typed Name]
Secretary of the Corporation