

REVISED BY-LAWS OF
AMERICAN SUBCONTRACTORS ASSOCIATION
HOUSTON CHAPTER

TO BE EFFECTIVE APRIL 8, 2020

ARTICLE I

NAME AND PRINCIPAL OFFICE

1.1 Name. The name of this Association shall be "American Subcontractors Association - Houston Chapter" (hereafter, the "Houston Chapter" or the "Association"). The Houston Chapter shall be incorporated under the Non-Profit Corporation Act of the State of Texas, Section 22.001 et seq. of the Texas Business Organizations Code (the "Act").

1.2 Office. The principal office of said "Houston Chapter" shall be its registered address as set forth in its Articles of Incorporation, as they may be amended from time to time.

ARTICLE II

PURPOSES AND OBJECTIVES

2.1 PURPOSES. The purposes for which the Houston Chapter is formed are:

- (a) To deal with trade and promotional issues of subcontractors of the construction industry in the metropolitan Houston area.
- (b) To cooperate with general contractors, architects, and other segments of the construction industry and their associations, with existing associations of subcontractors, and with organizations representing the building trades in connection with all lawful matters of interest to the construction industry.
- (c) To act as a trade association for its members and, as such, to perform for its members those services which can better be performed as a group than separately, including, but not limited to, institutional advertising, public relations work, and the betterment of community relations.
- (d) To do any and all lawful acts and things to help the construction industry better serve the public, and to promote any legitimate common interest of its members.

2.2 Non-Profit Corporation. The Houston Chapter is organized as a non-profit corporation, and as a chapter of the AMERICAN SUBCONTRACTORS ASSOCIATION, and shall not be operated for pecuniary gain or profit, nor will any part of the income or assets of the Houston Chapter be distributed or allowed to inure to the benefit of any individual for any purpose other than those for which this Houston Chapter is formed.

ARTICLE III

MEMBERSHIP

3.1 MEMBERSHIP AREA. Membership in the Houston Chapter shall extend to the Counties of Harris, Brazoria, Fort Bend, Waller, Montgomery, Liberty, Chambers and Galveston, of the State of Texas, subject to the terms and conditions of membership as herein provided.

3.2 MEMBER. A firm engaged in performing work, rendering services or furnishing material in the construction industry may apply for membership on such terms as the Board of Directors of the Houston Chapter (the

"Board of Directors" or the "Board") may from time to time prescribe. Members may participate in the local chapter affairs, vote on local issues, and, except as may be expressly provided otherwise in these By-Laws, if elected, serve as an officer, or as a director, on the Board of Directors. Members may participate in either State or National affairs, vote on State or National issues, or hold a position as an officer in a State or National office. Architects, engineering, general contracting, construction owners, and construction management are not eligible for membership.

3.3 CATEGORIES OF MEMBERS. Members will consist of three (3) categories: the subcontractor category; the associate category; and, the honorary member category. These categories are further described in Sections 3.4 (subsections 3.4.1 and 3.4.2) and 3.5 below. Except as otherwise expressly provided in these By-Laws, all members of each category will have all of the rights to which a member is entitled under these By-Laws.

3.4 THE SUBCONTRACTOR AND ASSOCIATE CATEGORIES.

3.4.1 The subcontractor category consists of those members who are "subcontractors", where the term "subcontractor" shall mean any person, partnership, corporation, or other entity engaged in construction and who furnishes labor, or labor and materials, used in the construction of projects, pursuant to contracts with persons or entities other than project owners. The term "labor" shall include shop labor for the manufacture or fabrication of specific materials to be installed in a particular construction project; or labor on a jobsite, if the labor is managed by the subcontractor.

3.4.2 The associate category consists of those persons, partnerships, corporations, or other entities who are engaged in performing work, rendering services or furnishing material in the construction industry, who do not meet the definition of "subcontractor" (as that term is defined in Section 3.4.1), but who otherwise meet the qualifications set forth in these By-Laws to be a member of the Association.

3.4.3 In all instances, if an applicant for membership in the Association otherwise meets the qualifications set forth in these By-Laws to be a member of the Association, the determination of whether that applicant will be admitted as a subcontractor member or an associate member will be to the sole discretion of the Board (or such committee to which the Board may delegate such task).

3.5 HONORARY MEMBER CATEGORY. The honorary member category consists of those persons who are retired from a business which is a member of the Association, and who wish to participate in the affairs of the Association as non-voting members. An honorary member shall not be obligated to pay dues and shall have no voting privileges.

3.6 MEMBERSHIP DUES. Membership Dues, and the provisions for the assessment and payment thereof, shall be fixed and determined from time to time by the Board of Directors. Payment of applicable dues shall be a prerequisite to attaining membership status and shall be paid at the time application for membership is filed. Payment of annual dues thereafter shall be a prerequisite to continuing membership in good standing for those members who are required to pay dues.

3.7 TRANSFER OF MEMBERSHIP. Membership in the Houston Chapter shall be assignable and transferable only upon written request for same and upon approval by the Board of Directors.

3.8 APPLICATION FOR MEMBERSHIP. Application for membership shall be made on the form provided by the Houston Chapter.

3.9 TERMINATION. Membership in the Houston Chapter will automatically be terminated if that particular member fails to meet the eligibility requirements of the Houston Chapter as established from time to time. In addition, membership in the Houston Chapter may be terminated for the reasons specified hereinafter. Upon such termination, however such termination may come about, all membership rights, privileges and interest of such member shall cease, provided that such member shall remain liable for his or its dues outstanding. A member may resign at any time, but such a resignation will not be effective to discharge the obligations of such member to the Houston Chapter. Any member of the Houston Chapter shall be subject to expulsion for failing to pay dues. In addition, a member of the Houston Chapter shall be subject to expulsion pursuant to a resolution adopted by the affirmative vote of not less than three-fourths of the entire Board of Directors, for: (a) failing to pay other amounts owing to the

Houston Chapter within sixty (60) days after the date on which written notice of such failure is mailed to the member; or, (b) failing to comply with the Articles of Incorporation, By-Laws or other rules or regulations of the Houston Chapter within sixty (60) days after the date on which written notice of such failure is mailed to the member, specifying the matters with which such member is not in compliance.

3.10 VOTING. A quorum of the members must be present, in person or by proxy, to conduct the business of the Association. A quorum shall be defined as thirty percent (30%) of the members in good standing, present at the meeting in person or by proxy. Except as expressly provided otherwise in the Houston Chapter Articles of Incorporation or these By-Laws, each member of the Houston Chapter in good standing shall be entitled to cast one vote on matters brought before the members of the Houston Chapter for consideration, and each vote shall be cast by a duly authorized representative in person or by proxy. A majority of all members of the Houston Chapter present, in person or by proxy, at any regular meeting or any special meeting duly called shall be required to adopt a resolution, unless otherwise provided herein, in the Articles of Incorporation, or the Act.

3.11 GOOD STANDING. As of any given date, a member is in good standing only if (a) that member is not in arrears on the payment of the dues provided hereunder, and (b) there is not then any outstanding violation for which a notice described in 3.9 of this Article has been given to that member.

3.12 DESIGNATION OF REPRESENTATIVE. If an applicant for membership in the Houston Chapter is a corporation, partnership, or other entity, it shall designate on its membership application the names of its authorized representatives. A member may designate or change its authorized representatives by notice to the Secretary/Treasurer of the Houston Chapter. Only an authorized representative may be treated as representing a member for the purpose of ascertaining the presence of a quorum.

ARTICLE IV

OFFICERS

4.1 OFFICERS. The officers of the Houston Chapter shall consist of the following offices:

1. President;
2. Vice President;
3. Secretary/Treasurer; and,
4. Association Executive.

4.2 MEMBERSHIP. Except for the Association Executive, each officer shall be an active member in good standing.

4.3 TERM. Except for the Association Executive, all officers shall take office on the first day of July of the fiscal year following their election, and shall serve for a term of one year (1), or until their respective successors shall be duly elected and qualified. An individual may serve no more than two (2) consecutive terms in the same office.

4.4 ELECTION. The President, the Vice President and the Secretary/Treasurer shall be nominated by the Board of Directors and shall be elected by the membership at any regular or special meeting. Such nominations and elections shall take place at or near the end of the current fiscal year, for the term commencing in the next ensuing fiscal year. If it is determined by the Board of Directors that the Association shall be served by an Association Executive, the Association Executive will be appointed in the manner specified in 4.5 (e) below. All officers elected by the membership shall automatically be members of the Board of Directors.

(a) VACANCIES. Should the President vacate his/her position during his/her term, and the Vice President is not able or willing to complete the remainder of the current President's term, the replacement for that position will be nominated by the Board of Directors and elected by the membership at a regular or special meeting. Should the Vice President or Secretary/Treasurer vacate his/her position during his/her term, the vacancy shall be filled by nomination and approval of the Board.

4.5 DUTIES. The duties of the officers shall be as follows:

(a) The President shall be the Chief Executive Officer of this Houston Chapter, and shall preside over all meetings of this Houston Chapter and the Board of Directors. The President shall be a member of all standing and special committees. The President shall perform such other duties as usually pertain to the office of President of an association such as the Houston Chapter. Unless delegated to the Association Executive pursuant to Section 4.6 below, the President shall, with the Secretary/Treasurer, sign all written contracts and obligations of the Houston Chapter.

(b) The Vice President, in the absence of the President, shall preside at all meetings and shall perform such other duties as may be assigned to him by the President or the Board of Directors. It shall be the primary responsibility of the Vice President, with the advice of the Board of Directors, to anticipate filling the duties of the President upon the conclusion of the term of the then current President.

(c) (This subsection intentionally deleted.)

(d) The Secretary/Treasurer shall be responsible for keeping the records of membership, attendance, membership dues and minutes of the meetings of this Houston Chapter and the Board of Directors. The Secretary/Treasurer shall: present all bills outside of the scope of the approved budget to the Board of Directors for approval; collect all funds due the Houston Chapter; submit a report at such times as the President or Board of Directors may require; submit to the proper officials and committees, or to the Houston Chapter, all communications received from the AMERICAN SUBCONTRACTORS ASSOCIATION and others; submit all official reports required by the AMERICAN SUBCONTRACTORS ASSOCIATION and State and Federal laws governing the conduct of the Houston Chapter's activities; be responsible for receiving all funds paid to the Houston Chapter, depositing such funds in the Houston Chapter's official depositories, and disbursing such funds on the order of the Board of Directors. The Secretary/Treasurer shall be authorized to sign or countersign all checks issued by the Houston Chapter. The Houston Chapter's accounts and books shall be maintained by the Secretary/Treasurer, and all such accounts and books will at all times be open to inspection by the President, the Board of Directors, and any auditors authorized by the Board of Directors to review such accounts and books. The Secretary/Treasurer shall be responsible for the completion and submission of forms required by laws governing the administration and/or tax status of the Houston Chapter.

(e) The Board of Directors may appoint an Association Executive for such period, such compensation, and with such authority, duties, facilities and assistance as the Board of Directors may determine. The office of Association Executive shall have no vote in any capacity, unless specifically granted such by the Board of Directors. However, a member, director, or officer serving as Association Director shall not lose any voting privileges in such capacities by holding the position of Association Executive. The Association Executive shall be the administrative head of the local headquarters staff and office, where all permanent records shall be kept, and may be delegated the responsibilities of an officer by the board of directors.

4.6 DELEGATION OF POWERS. The Board of Directors may delegate to the Association Executive such of the functions, powers and authority of the officers of the Association as the Board of Directors of the Association deems appropriate. If such a delegation is made, unless and until provided otherwise by resolution duly adopted by the Board of Directors, the Association Executive shall be responsible for performing all of such duties, and shall have such powers granted by the Board of Directors of the Association, except that the Association Executive will not have the power to exercise any voting rights which otherwise correspond to the office of such officer whose duties are so delegated, unless any such rights are granted pursuant to an express resolution passed by the board of directors.

4.7 COMPENSATION. With the exception of the Association Executive, Officers shall not receive any compensation for their services.

ARTICLE V

BOARD OF DIRECTORS

5.1 **DIRECTORS.** The Board of Directors shall include up to thirteen (13) and not less than three (3) Directors, consisting of the following: (i) the President; (ii) the Vice President; (iii) the Secretary/Treasurer; and (iv) not more than ten (10) additional Directors elected by the membership at a regular monthly membership meeting or a special membership meeting.

5.2 **MEMBERSHIP.** Each Director shall be a member in good standing. No more than three (3) Directors shall be from the same trade. The Board, or a committee appointed by the Board, shall have the discretion to determine and construe what "from the same trade" shall mean, if necessary. The number of Directors who are members of the associate category will not exceed that number which is equal to one-third (1/3) of the number of Directors.

5.3 **TERM.** Directors shall be elected at or near the end of the then current fiscal year, for the term commencing in the next ensuing fiscal year. Not more than six (6) of the ten (10) Directors elected pursuant to Section 5.1(iv) shall be elected at or near the end of the fiscal year. All Directors shall take office on the first day of July immediately following the election of the Directors elected pursuant to Section 5.1 (iv) and shall serve for a term of two (2) years, or until their respective successors shall be duly elected and qualified; provided, that terms of the President, the Vice President, and the Secretary/Treasurer will be determined in the manner specified in Article IV.

5.4 **FUNCTIONS.** The Board of Directors shall: determine the policies and activities of the Houston Chapter; approve the expulsion of members; approve the budget; approve all expenditures and authorize all disbursements which are outside of the scope of the approved budget; take counsel with committees; and, have general management of the Houston Chapter and its affairs. The Board of Directors may authorize the President and the Secretary/Treasurer, acting on behalf of the Houston Chapter, to enter into a contract with, or otherwise employ, or authorize the employment of, paid personnel. The Board shall fix the terms and conditions of such employment and/or contracts.

5.5 **MEETINGS.** The Board of Directors shall meet once each month regularly, at such times and places as the Board may determine, to conduct the business and affairs of the Houston Chapter. It may hold such additional and special meetings as the President or any Director may request. The Association Executive shall attend the Board meetings in an advisory capacity.

5.6 **NOTICE.** At least five (5) days prior to any special meeting of the Board of Directors, written notice of such meeting, stating the time, place and general purposes of the meeting, shall be deposited in the mail, or forwarded by the telefacsimile, email, or private delivery service, by the Secretary/Treasurer or, if one is then serving, the Association Executive, to each Director. A waiver or waivers of notice by those entitled to such notice, whether before or after the time stated herein, shall be equivalent to the giving of such notice.

5.7 **QUORUM.** At any meeting of the Board of Directors, the Directors present and voting shall constitute a quorum for the purposes of acting on business of the Houston Chapter if at least five (5) Directors are present.

5.8 **VACANCIES.** Should a vacancy occur, the vacancy shall be filled by nomination and approval of the Board.

5.9 **VOTING.** Each member of the Board of Directors shall be entitled to one (1) vote on any matter lawfully and properly brought before the Board of Directors. A member of the Board of Directors who holds office as a Director and as one or more Officer positions has only one (1) vote. Votes may be cast only in person and not by proxy. Upon Board approval, any such vote may be taken by telephone, fax, email, or otherwise. The vote of a majority of the Directors participating in the meeting will be required to adopt a resolution. Any action that must or may be taken at a meeting of the Board, or a committee formed by the Board or the President, may be taken without a meeting if a written consent, stating the action to be taken, is signed by the number of Directors, or committee members, as applicable, necessary to take that action at a meeting at which all directors, or committee members, as

applicable, are present and voting. The consent must state the date of each Director's or committee member's, as applicable, signature.

5.10 ATTENDANCE. Any Director who fails to attend three (3) regular Board meetings out of six (6) consecutive regular Board meetings may be removed from the Board by the vote of a majority of the remaining Directors, unless any such absence is reasonable, as determined by the Board, including, but not limited to, serious illness or death in the immediate family.

5.11 COMPENSATION. Directors shall not receive any compensation for their services.

ARTICLE VI

CHAPTER MEETINGS

6.1 ANNUAL MEETING. The annual meeting of the members of the Houston Chapter shall be held during the month of May of each year at Houston, Texas, or at such other place and time as the Board of Directors may designate.

6.2 CHAPTER MEETING. The regular meetings of the members of the Houston Chapter shall be held monthly at such time and place as may be designated by the Board of Directors. For good cause, the Board of Directors may suspend any monthly meeting of the members.

6.3 SPECIAL MEETINGS. In addition to the regular meetings, a special meeting of the members may be called at any time at the direction of the President or the Board of Directors. Such meetings shall be held at such time and place as may be determined by the President or the Board of Directors.

6.4 NOTICE. Written notice of all meetings of the members of the Houston Chapter shall be deposited in the mail or forwarded by telefacsimile, email or private delivery service by the Secretary/Treasurer or, if one is then serving, the Association Executive, at least ten (10), but not more than sixty (60) days, prior to the date of the meeting. Such notice shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which it is called.

6.5 MEETINGS BY REMOTE COMMUNICATIONS TECHNOLOGY. A meeting of the members may be held by means of conference telephone or similar communications equipment, or other suitable electronic communications system, including videoconferencing technology or the Internet, or any combination of those means, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons participating in the meeting.

ARTICLE VII

COMMITTEES

7.1 COMMITTEES. The Board may establish from time to time such Committees as it deems appropriate.

7.2 TERM APPOINTMENT. The members of a Committee shall serve for such term as the Board shall determine. The Chairman of a Committee will be appointed by the President, and the Committee members will be appointed by the Chairman of that Committee, all subject to removal by the Board. Each Committee will be responsible to the President and the Board of Directors, and shall make such reports as the President or the Board of Directors may direct.

7.3 SPECIAL COMMITTEES. Special Committees may be established by the Chairman of a Committee, with the approval of the Board of Directors, and shall perform such duties as may be defined in their creation.

ARTICLE VIII

FINANCE

8.1 FISCAL YEAR. The fiscal year of this Houston Chapter shall begin on the first day of July each year.

8.2 BUDGET. Not later than the scheduled Board of Directors meeting in June of each year, a budget of estimated income and expenditures for the next ensuing fiscal year shall be adopted by the Board of Directors.

8.3 AUDIT. The Houston Chapter books and accounts shall be audited as often as the Board deems necessary. The auditors shall be named by the Board of Directors.

8.4 BANKING. The Board of Directors shall determine the official depository or depositories for Houston Chapter funds. The Secretary/Treasurer, the Association Executive, the President, and the Vice President may sign or countersign checks or other documents for the disbursement of such funds. All such checks or other documents must be signed by at least two (2) of the approved signatories.

ARTICLE IX

AMENDMENTS

9.1 PROPOSAL. Amendments to these Articles may be proposed by a committee formed for the purpose of reviewing the bylaws and making recommendations to the Board of Directors of the Houston Chapter.

9.2 NOTICE. Notice of such proposed amendments shall be sent by the Secretary/Treasurer or, if one is then serving, the Association Executive, in writing (by mail, telefacsimile, email, or private delivery service) to the members of the Board of Directors at least seven (7) days in advance of the meeting at which the amendment is to be voted upon.

9.3 ADOPTION. An amendment to these By-Laws may be adopted upon the affirmative vote of at least two-thirds of the members of the Board of Directors.

ARTICLE X

WINDING UP AND TERMINATION

10.1 PURSUANT TO LAW. Voluntary winding up and termination of the Houston Chapter shall be accomplished, if at all, pursuant to the provisions of Subchapter G (Section 22.301 et seq.) of the Act (or its successor statute).

10.2 DISTRIBUTION OF ASSETS. In the event of the winding up and termination of the Houston Chapter, the assets of the Houston Chapter shall be applied by the Board of Directors, or if not by the Board of Directors, by an order of the proper court, to purposes as near as possible to the purposes of the Houston Chapter as stated in these By-Laws, and in no event shall the assets of the Houston Chapter be distributed to or inure to the benefit of any individual member of the Houston Chapter.

XI

MISCELLANEOUS

11.1 AMENDMENTS. Notwithstanding the provisions of Section 9.3, these By-laws may be supplemented, altered, amended or repealed by the affirmative vote of a majority of the Members of the Houston Chapter at any annual or special meeting of the Members.

11.2. POWER OF ATTORNEY. A person may execute any instrument related to the Houston Chapter (other than an instrument requiring the execution by a Director, in that capacity) by means of a power of attorney if an executed copy of the power of attorney is provided to the Secretary/Treasurer of the Houston Chapter to be kept with the Houston Chapter records.

11.3. PARTIES BOUND. These By-Laws shall be binding upon and inure to the benefit of the Members, Directors, officers, employees, and agents of the Houston Chapter and their respective permitted successors, except as otherwise provided in the By-Laws.

11.4 GENDER/NUMBER. Words of any gender used in these By-Laws shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

ARTICLE XII

INDEMNIFICATION AND INSURANCE

12.1 RIGHT TO INDEMNIFICATION. Each “Indemnified Person” (herein defined) shall be indemnified by the Association to the fullest extent authorized by the Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Association to provide broader indemnification rights than said law permitted the Association to provide prior to such amendment) against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including, without limitation, attorneys’ fees) actually incurred by such person in connection with a “Proceeding” (herein defined). Notwithstanding the foregoing, if the Proceeding is brought by or on behalf of the Association, the indemnification is limited to reasonable expenses actually incurred or suffered by such person in connection therewith. Indemnification under these By-Laws shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder. In no case, however, shall the Association indemnify any person, or the legal representatives of any person, with respect to any matters as to which such person shall be finally adjudged in any such Proceeding to be liable on the basis that personal benefit resulted from an action taken in such person’s official capacity, or in which such person is found liable to the Association. As used in this Article XII, the term “Indemnified Person” means a person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative (a “Proceeding”), or any appeal of a Proceeding, or any inquiry or investigation that could lead to a Proceeding, by reason of the fact that he or she or a person of whom he or she is the legal representative, is or was a Director or an officer of the Association, or while a Director or an officer of the Association, is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise,

12.2 ADVANCE PAYMENT. An Indemnified Person’s right to indemnification conferred in this Article XII shall include the right to be paid or reimbursed by the Association for the reasonable expenses incurred by an Indemnified Person who was, is or is threatened to be, made a named defendant or respondent in a Proceeding in advance of the final disposition of the Proceeding; *provided, however*, that the payment of such expenses incurred by an Indemnified Person in advance of the final disposition of a Proceeding shall be made only upon delivery to the Association of a written affirmation by such Indemnified Person of his or her good faith belief that he or she has met the standard of conduct necessary of indemnification under this Article XII and a written undertaking by or on behalf of such Indemnified Person to repay all amounts so advanced if it shall ultimately be determined that such Indemnified Person is not entitled to be indemnified under this Article XII or otherwise.

12.3 APPEARANCE AS A WITNESS. Notwithstanding any other provision of this Article XII, the Association may pay or reimburse expenses incurred by an Indemnified Person in connection with his or her appearance as a witness or other participation in a Proceeding at a time when he or she is not a named defendant or respondent in the Proceeding.

12.4 NON-EXCLUSIVITY OF RIGHTS. The right to indemnification and the advancement and payment of expenses conferred in this Article XII shall not be exclusive of any other right which an Indemnified Person may have or hereafter acquire under any law, agreement or vote of disinterested Directors.

12.5 INSURANCE. The Association may purchase and maintain insurance, at its expense, to protect itself or any Indemnified Person against any expense, liability or loss under this Article XII, whether or not the Association would have the power to indemnify such person against such expense, liability or loss.

12.6 SAVINGS CLAUSE. If this Article XII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Association shall nevertheless indemnify and hold harmless each Indemnified Person as to costs, charges and expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, to the fullest extent permitted by any applicable portion of this Article XII that shall not have been invalidated and to the fullest extent permitted by applicable law.