

# **BYLAWS OF THE NATIONAL ARAB AMERICAN BAR ASSOCIATION**

(a not-for-profit corporation)

**ADOPTED: Wednesday August 23, 2023**

## **ARTICLE I: NAME**

The name of this Association is the National Arab American Bar Association (the "Association" or "NAABA").

## **ARTICLE II: REGISTERED OFFICE**

The Association shall maintain a registered office and a registered agent in Delaware, at such office as may be determined from time to time by the Board of Directors.

## **ARTICLE III: PURPOSES**

The objects of this Association are to: (1) represent the interests of the Arab American community of attorneys throughout the United States; (2) foster the exchange of ideas and information among and between Association members and other members of the legal profession, the judiciary, law schools, and the community; (3) encourage and promote the professional growth of the members of the Association; (4) provide an opportunity for fellowship among the Association's members; (5) provide coordinated service to the general and local community; (6) develop and encourage cooperation with other attorney organizations; (7) provide a vehicle and forum for the unified expression of opinions and positions by the Association upon current social, economic, legal, or other matters or events of concern to the members of the Association; (8) encourage the use of legal services by the Arab American community; (9) review judicial candidates and offer advice to those interested in the views of the Arab American legal community with respect to such candidates; (10) encourage Arab Americans to enter into the legal profession; and (11) conduct all other related activities which are permitted to a corporation exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law, the "Code"). These activities shall be carried out to the extent and in such manner that they further business league purposes within the meaning of Section 501(c)(6) of the Code.

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to, its directors, officers, members, or other private persons, except that the Association is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Bylaws.

Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Association, dispose of all of the assets of the Association in such manner or to such organization or organizations organized or operated exclusively for purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code as the Board of Directors shall determine.

## **ARTICLE IV: MEMBERSHIP AND DUES**

Section 1. Membership. The membership of the Association shall consist of active members, honorary members, student members, and associate members, as those terms are hereinafter defined.

Section 2. Active Members. To be eligible to become an active member, and to maintain active membership in this Association, an applicant must pay the dues established under Section 8 of this Article for active members and must meet the requirements of one of the following two categories:

(a) The applicant must be admitted to practice and be in good standing before the highest court of any state of the United States; or

(b) The applicant must have heretofore met the requirements in category (a) hereof and now be retired.

Section 3. Honorary Membership. A person may be elected to honorary membership by the Board of Directors for distinguished public service or eminence in the law. An honorary member so elected shall pay no dues, shall not have the right to vote, and shall not be eligible to be an officer or director of the Association, but shall have all other rights of membership.

Section 4. Student Membership. A person who is engaged in the study of the law in a law school program in the United States may become a student member. A student member shall pay dues as established by the Board of Directors, shall not have the right of vote, and shall not be eligible to be an officer or director, but shall have all other rights of membership.

Section 5. Associate Membership. A person may become an associate member if such person is not admitted to practice before the highest court of any state of the United States but is admitted to practice before the courts of a country other than the United States and is in good standing. An associate member so qualifying shall pay annual dues as established by the Board of Directors, shall not have the right of vote, and shall not be eligible to be an officer or director, but shall have all other rights of membership.

Section 6. Admission to Membership. Except in the initial election of members, each person desiring to become a member of this Association shall provide the Association a written application for membership. Members shall be approved by the Recording Secretary.

Section 7. Voting Rights. Only active members, as specified above, shall have voting rights, whereby each voting member is entitled to one vote.

Section 8. Dues. The annual dues for all members shall be such amounts as the Board of Directors may from time to time determine. The Board of Directors shall have the power to remit, reduce, or waive dues of any member, or category of members, in whole or in part.

Section 9. Failure to Pay Dues. A member in good standing is one whose annual dues are paid for the last calendar year. A member not in good standing may be reinstated by payment of the current annual dues and any and all assessments which were levied or became due while such person was a member in good standing.

Section 10. Termination of Membership. The Board of Directors by affirmative vote of two-thirds (2/3) of the members of the Board of Directors may suspend or expel a member for cause after an appropriate hearing, and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues for the period fixed in Section 9 of this Article.

Section 11. Resignation of Membership. Any member may resign at any time by delivering a written resignation to the Secretary. The acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make the same effective.

## **ARTICLE V: MEETINGS OF MEMBERS**

Section 1. Bi-annual and Quarterly Meetings. The Association shall hold a meeting every two years at which meeting directors and officers shall be elected for the succeeding two calendar years; provided, however, that in the first year of incorporation for the Association, the annual meeting shall be held within ninety (90) days of such incorporation. The Association shall hold other meetings of members no less than three times within any given calendar year, on dates to be fixed in each case by the Board of Directors.

Section 2. Special Meetings. The Association shall hold special meetings of members upon the call of the President or a majority of the members of the Board of Directors. The President shall call a special meeting upon written request therefor, signed by a majority of the members of the Association.

Section 3. Presiding Officer. At all meetings of the Association, the President, or in the President's absence the Vice President, shall preside.

Section 4. Adjournment. Any meeting of the Association may be adjourned to a future date by vote of a majority of the members present at the meeting and voting.

Section 5. Place of Meetings. The place at which meetings of members shall be held shall be fixed from time to time by the Officers and, in the absence of action by the Officers, by the Board of Directors. Meetings may be held remotely.

Section 6. Notices. Notices of meetings of members shall be sent by the Corresponding Secretary to each member of the Association at such member's physical address or electronic address as it appears on the books of the Association at least ten (10) days before the date of a bi-annual or quarterly meeting, or five (5) days before the date of a special meeting.

Section 7. Quorum. Twenty percent (20%) of the active members shall constitute a quorum for the conduct of business at any meeting of the Association.

Section 8. Fixing Record Date for Voting. For the purpose of determining members, or in order to make a determination of members for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination of members, which such date in any case shall neither be more than sixty (60) days nor less than five (5) days immediately preceding such meeting. If no record date is fixed for the determination of members, the date twenty (20) days prior to the date of such meeting shall be the record date for such determination. When a determination of members entitled to vote at any meeting of members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

Section 9. Manner of Acting. The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the members, unless the act of a greater number is required by statute, these Bylaws, or the Articles of Incorporation.

### Section 10. Informal Action by Members.

(a) Any action to be taken at any annual, quarterly, or special meeting of the members entitled to vote, or any other action which may be taken at a meeting of the members entitled to vote, may be taken without a meeting and without a vote, if a consent in writing, setting forth the action so taken, shall be signed either: (i) by all of the members entitled to vote with respect to the subject matter thereof, or (ii) by the members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voting.

(b) If such consent is signed by less than all of the members entitled to vote, then such consent shall become effective only: (i) if, at least five (5) days prior to the effective date of such consent, a notice in writing of the proposed action is delivered to all of the members entitled to vote with respect to the subject matter thereof, and (ii) if, after the effective date of such consent, prompt notice in writing of the taking of the corporate action without a meeting is delivered to those members entitled to vote who have not consented in writing.

Section 11. Rules of Order. Except as otherwise provided by these Bylaws, the meetings of the Association shall be conducted in accordance with "Roberts' Rules of Order Revised". At all meetings of the Association, the order of business shall be as prescribed by the President (or the President's substitute) and the Secretary. The chairperson of the Legal Committee or the chairperson's designate shall serve as parliamentarian.

Section 12. Remote Electronic Participation in Meetings. One or more members may participate in a meeting of the members by means of a conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other during the meeting. Participation by such means shall constitute presence in person at a meeting.

## **ARTICLE VI: BOARD OF DIRECTORS AND ADVISORY BOARD OF DIRECTORS**

Section 1. General Powers. The affairs of the Association shall be managed by and under the direction of the Board of Directors.

Section 2. Number, Tenure, and Qualifications. The number of directors shall be, at a minimum, twelve (12) and include, at a minimum, seven (7) directors at large, who shall be elected and shall hold office until the next biannual meeting of members and until such director's successor shall have been elected and qualified, and the five (5) officers of the Association, who shall hold office until such person's successor shall have been elected and qualified. Directors shall be active members of the Association. The number of directors may be increased to any number from time to time by determination of an existing Board of Directors and made effective in the next election cycle. A decrease in the number of directors shall not shorten an incumbent director's term. Officers shall be elected as specified in Article VII, Section 2.

Section 3. Advisory Board of Directors. The Board of Directors may appoint advisory directors at large upon a majority vote by the members of the Board of Directors. The number of advisory directors will be determined by the Board of Directors and may be increased or decreased from time to time in its discretion. Appointed advisory directors shall serve as advisors and shall not have voting rights. Appointed directors shall serve two year terms. The Board of Directors shall appoint one member of or liaison selected by the Arab American Institute as an advisory director. As further set forth in Article VIII, the Board of Directors may further appoint regional liaisons to the Advisory Board of Directors to ensure geographic diversity and diverse geographic membership. The Advisory Board shall not include more than 20% of individuals from a single state.

Section 4. Term Limits on the Board of Directors. An individual may not serve more than three consecutive terms (or six consecutive years) on the Board of Directors. Notwithstanding the foregoing, a term as an Officer shall not be counted toward the aforementioned term limit.

Section 5. Regular Meetings. A regular annual meeting of the Board of Directors shall be held, without other notice than these Bylaws, immediately before or after the annual meeting of members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings of the Board, which shall be held not less frequently than once every three months, without other notice than such resolution.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any four (4) directors. The person or persons authorized to call special meetings of the Board may fix any place as the place for holding any special meeting of the Board called by them.

Section 7. Notice. Notice of any special meeting of the Board of Directors shall be given at least five (5) days previously thereto by written notice to each director at the address as shown by the records of the Association. Notice of any special meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to the notice either before or after the time of the meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of such meeting, unless specifically required by law or by these Bylaws.

Section 8. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting to another time without further notice.

Section 9. Attendance. Each director is required to attend a minimum of seventy-five percent (75%) of: (i) the total number of regular and special meetings of the Board of Directors held in any calendar year, and (ii) the total number of meetings held by all committees on which such director serves in any calendar year. Absences will be considered excused only due to circumstances beyond a board member's control such as illness, travel schedule, jury duty or holidays. In all cases, board members are expected to notify the Board of Directors in advance of meetings prior to an absence. A director's failure to attend the minimum number of meetings (as specified above) or a director's unexcused absence from three (3) consecutive regular meetings of the Board of Directors, shall be deemed sufficient grounds for removal of said director from the Board of Directors.

Section 10. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by statute, these Bylaws, or the Articles of Incorporation.

Section 11. Resignation, Removal of Directors.

(a) A director may resign at any time by written notice delivered to the Board of Directors or to the President or Secretary. A resignation is effective when the notice is delivered unless the notice specifies a future date.

(b) One or more of the directors may be removed with or without cause; provided, however, that no director may be removed, except as follows:

(i) A director may be removed by the affirmative vote of two-thirds (2/3) of the votes present and voted at a meeting of members entitled to vote or, alternatively, by the affirmative vote of two-third (2/3) of the Board of Directors.

(ii) No director shall be removed at a meeting of members entitled to vote unless the written notice of such meeting is delivered to all members entitled to vote on removal of directors. No director shall be removed at a meeting of the Board of Directors unless the written notice of such meeting is delivered to all members of the Board of Directors. Such notice shall state that a purpose of the meeting is to vote upon the removal of one or more directors named in the notice. Only the named director or directors may be removed at such meeting.

Section 12. Vacancies. Any vacancy occurring in the Board of Directors or any directorship to be filled by reason of any increase in the number of directors shall be filled by the Board of Directors unless the Articles of Incorporation, a statute, or these Bylaws provide that a vacancy or a directorship so created shall be filled in some other manner, in which case such provisions shall control. A director elected to fill a vacancy shall be elected for the unexpired term of his/her predecessor in office.

Section 13. Informal Action By Directors.

(a) Unless specifically prohibited by the Articles of Incorporation or these Bylaws, any action required by the Act to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors or a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter.

(b) The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing consent shall be delivered to the Secretary to be filed in the corporate records. The action taken shall be effective when all directors have approved the consent unless the consent specifies a different effective date.

Section 14. Remote Electronic Participation in Meetings. One or more directors may participate in a meeting of the Board of Directors, or a committee of the Board of Directors, by means of a conference telephone, video, or similar communications equipment, by means of which all persons participating in the meeting can hear each other during the meeting. Participation by such means shall constitute presence in person at a meeting.

Section 15. Compensation. Directors shall not receive any stated salaries for their services, provided that nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving reasonable compensation therefor.

## **ARTICLE VII: OFFICERS**

Section 1. Officers. The Association shall have a President, a Vice President, a Treasurer, and, Corresponding and Recording Secretaries who shall each be elected for two-year terms by the members of the Association. No officer shall serve more than two consecutive terms in the same office.

Section 2. Election and Term of Office. The officers of the Association shall be elected biannually by the members entitled to vote at the regular annual meeting of members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Vacancies may be filled or new offices created and filled at any meeting of the Association. Each officer shall hold office until such officer's successor shall have been duly elected and shall have qualified or until such officer's death or until such officer shall resign or shall have been removed in the manner hereinafter provided. Election of an officer shall not of itself create contract rights.

Section 3. Removal. Any officer elected may be removed by the members of the Association entitled to vote at a meeting thereof or by informal action of members whenever in their judgment the interests of the Association would be served thereby.

Section 4. President. The President shall be the principal executive officer of the Association and shall preside at meetings of the Association and the Board of Directors. Subject to the direction and control of the Board of Directors, the President shall be in charge of the business and affairs of the Association; the President shall see that the resolutions and directives of the Board of Directors are carried into effect except in those instances in which that responsibility is assigned to some other person by the Board of Directors; and, in general, the President shall discharge all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Association or a different mode of execution is expressly prescribed by the Board of Directors or

these Bylaws, the President may execute for the Association any contracts, deeds, mortgages, bonds, or other instruments which the Board of Directors has authorized to be executed, and the President may accomplish such execution either individually or with the Secretary or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

Section 5. Vice President. The Vice President shall assist the President in the discharge of the President's duties as the President may direct and shall perform such other duties as from time to time may be assigned to the Vice President by the President or by the Board of Directors. In the absence of the President or in the event of the President's inability or refusal to act, the Vice President shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Association or a different mode of execution is expressly prescribed by the Board of Directors or these Bylaws, the Vice President may execute for the Association any contracts, deeds, mortgages, bonds, or other instruments which the Board of Directors has authorized to be executed, and the Vice President may accomplish such execution either individually or with the Secretary, or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

Section 6. Treasurer. The Treasurer shall be the principal accounting and financial officer of the Association. The Treasurer shall: (a) have charge of and be responsible for the maintenance of adequate books of account for the Association; (b) have charge and custody of all funds and securities of the Association, and be responsible therefor, and for the receipt and disbursement thereof; and (c) perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board of Directors.

Section 7. Recording and Corresponding Secretaries. The Recording and Corresponding Secretaries shall: (a) record the minutes of the meetings of the members and of the Board of Directors (recording secretary), (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law (corresponding secretary); (c) be custodian of the corporate records and manage all corporate filings (recording secretary); (d) keep a register of the post office or e-mail address of each member which shall be furnished to the Secretary by such member (corresponding secretary), and (e) perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors.

## **ARTICLE VIII: ELECTIONS**

Section 1. Time. The Association shall hold a biannual election of directors at large and officers of the Association, which shall be completed by December 31st of every other calendar year. The terms of directors at large and officers shall begin on January 1st of the year immediately succeeding that of the election of directors at large and officers; provided, however, that for the first year following adoption of these Bylaws, the annual election shall be held within 120 days after adoption and the terms of the directors and officers shall begin on January 1st of the following year. Notwithstanding the foregoing, during the period between the first election and the installation of directors and officers, the directors-elect and officers-elect shall have the powers to act in their elected capacities.

Section 2. Nominations. With regard to the initial election of directors at large and officers following adoption of these Bylaws, a nominating committee shall be established to discuss nominations for directors at large, officers, and members of the advisory board. In subsequent years, or if any officer or director at large position has no candidate nominated, the Board of Directors shall appoint a nominating committee to solicit and recruit candidates. Only active members in good standing may be nominated for election.

Section 3. Geographic Diversity. The nominating committee shall endeavor to include members representing different geographic regions as officers and members of the Board of Directors. The Board of Directors (which includes officers) shall not include more than 25% of individuals from a single state.

Section 4. Voting. Proxies shall not be permitted, although absentee voting shall be permitted in accordance with such procedures as the Board of Directors may from time to time determine. Voting shall be by secret ballot. Names of the candidates shall be listed by position in alphabetical order, with write-in positions included. The election of officers shall be completed and the results announced before voting on the directors at large is undertaken.

Section 5. Votes to Elect. In elections for an office, the candidate receiving the most votes shall be declared elected. Those candidates equal in number to positions of director at large to be filled at the election who receive the greatest number of votes for such position shall be declared elected. Each active member shall have one vote for each director at large and officer to be elected. There shall be no cumulative voting.

## **ARTICLE IX: COMMITTEES**

Section 1. Committees. The Association may have standing committees on areas that may be determined by the Officers and the Board of Directors. Committees may include a programs and continuing legal education committee, membership committee, community service committee, legislative and judicial developments committee. The Board of Directors shall establish their jurisdiction, duties, and term.

Section 3. Committee Chairperson(s). Each Association committee shall have one or more chairpersons appointed by the Board of Directors. The chairperson(s) of each committee shall fix the times and places for committee meetings and shall prescribe rules for its own government and course of proceedings, subject to the approval of the committee membership.

Section 4. Committee Membership; Dismissal. Any member of the Association in good standing shall be eligible to serve on an Association committee, provided that a committee member's absence from four (4) consecutive committee meetings shall be deemed sufficient grounds for removal of said member from that committee. The regular terms of membership of each Association committee shall commence with the appointment of its chairperson and shall continue until the appointment of a new chairperson; membership shall be renewable from term to term.

Section 5. Board of Director Committees. The Board of Directors may designate one or more committees, including an Executive Committee, each of which shall appoint a chairperson and consist of two or more directors, which committees, to the extent provided in said resolution and not restricted by law, shall have and exercise the authority of the Board of Directors in the management of the Association; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director, or any responsibility imposed upon it or individual directors by law.

Section 6. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 7. Quorum. A majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 8. Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.



## **ARTICLE X: GIFTS AND ENDOWMENTS**

The Board of Directors may adopt any convenient means whereby gifts, donations, and bequests from members and others to be used in furthering the activities and objects of the Association may be received, held, administered, and disposed of.

## **ARTICLE XI: AFFILIATION**

This Association may become an affiliated member of any association of members or groups within the legal profession, upon approval of the Board of Directors of the Association.

## **ARTICLE XII: AMENDMENT TO BYLAWS**

Upon at least ten (10) days written notice thereof by the Corresponding Secretary, any of these Bylaws may be amended by a two-thirds (2/3) majority of the votes of the Board of Directors (including the Officers) and ratified by a two-third (2/3) majority of the votes cast at a quarterly or special meeting of the members of the Association.

## **ARTICLE XIII: EFFECTIVE DATE**

These Bylaws shall be deemed effective when adopted by a majority of the members of the Association present at a meeting for which prior written notice was given.

## **ARTICLE XIV: CONTRACTS, CHECKS, DEPOSITS, AND FUNDS**

Section 1. Contracts. The Board of Directors may authorize any officer or agent of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or agent of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or the Vice President of the Association.

Section 3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 4. Expenditures. Expenditures shall be approved by the Board of Directors; notwithstanding the foregoing expenditures less than \$500 may be approved by a majority vote of the Officers.

## **ARTICLE XV: BOOKS AND RECORDS**

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or such member's agent or attorney, for any proper purpose at any reasonable time.

## **ARTICLE XVI: FISCAL YEAR**

The fiscal year of the Association shall be a calendar year, unless otherwise fixed by resolution of the Board of Directors.

## **ARTICLE XVIII: INDEMNIFICATION OF OFFICERS AND DIRECTORS**

(a) The Association may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that such person is or was a director, officer, employee, or agent of the Association, or who is or was serving at the request of the Association as a director, officer, employee, or agent of another association, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

(b) The Association may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee, or agent of the Association, or was serving at the request of the Association as a director, officer, employee, or agent of another association, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Association, and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of such person's duty to the Association, unless, and only upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

(c) To the extent that a director, officer, employee, or agent of the Association has been successful, on the merits or otherwise, in the defense of any action, suit, or proceeding referred to in paragraphs (a) and (b), or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(d) Any indemnification under paragraphs (a) and (b) (unless ordered by a court) shall be made by the Association only as authorized in the specific case, upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in paragraphs (a) and (b). Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding, (ii) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the members entitled to vote, if any.

(e) Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Association in advance of the final disposition of such action, suit, or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount, unless it shall ultimately be determined that such person is entitled to be indemnified by the Association as authorized in this Article.

(f) The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any law, agreement, vote of members or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of such a person.

(g) The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association, or who is or was serving at the request of the Association as a director, officer, employee, or agent of another association, partnership, joint venture, trust, or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under the provisions of this Article.

(h) If the Association has paid indemnity or has advanced expenses under this Article to a director, officer, employee, or agent, the Association shall report the indemnification or advance in writing to the members entitled to vote or before the notice of the next meeting of the members entitled to vote.