



# By-Laws of the Houston Apartment Association Inc.

## Article I

### Name and Statute

1.01 Name. The name of this organization is Houston Apartment Association, Inc. (HAA) The organization is a Texas Non-Profit Corporation.

1.02 Statute. The HAA is organized under the Texas Non-Profit Corporation Act.

## Article II

### Purpose and Authority

2.01 Purpose. The purposes for which the HAA is organized are to carry on the following charitable, benevolent, educational, and civic purposes for the multi-housing industry in several counties in and around Houston and surrounding areas including Austin, Brazoria, Chambers, Colorado, Fort Bend, Harris, Liberty, Matagorda, Montgomery, San Jacinto, Waller and Wharton counties and any other areas served by the HAA:

(a) Education. To serve as an educational organization promoting and supporting persons, firms, partnerships, corporations, associations, and other entities concerned with the ownership, construction, management, maintenance and operation of apartments and all other multi-unit dwellings.

(b) Professional Development. To assist qualified persons in the matter of their further education and professional development defraying costs of study where appropriate. To engage in, conduct, and to carry on the purpose of collecting and disseminating information and data concerning the ownership, construction, management, maintenance, and operation of the multi-housing industry, and all things incidental thereto, and to provide such educational services pertaining to the same as will enhance and improve the professional standards of the multi-housing industry.

(c) Funding. To accept, hold, administer, invest, reinvest, sell, disburse, or otherwise dispose of, for such purposes, such funds and other property, in whatever form it may take, as may from time to time be received by the HAA by gift, devise, bequest, donation, or otherwise,

from any person, persons, corporations or other entities.

(d) General Welfare. To advance the general welfare of the multi-housing industry.

2.02 Authority. The HAA shall have the authority generally to exercise all of the powers conferred by the laws of the state of Texas, upon corporations formed under the Texas Non-Profit Corporation Act, as amended.

(a) Expenditures. The HAA may own, rent or lease and pay for the cost of operation of any premises, machinery, equipment or other property, personal, real or otherwise, being devoted exclusively to the purposes and uses, or used as administrative offices for the corporation, and may pay salaries or other compensation to qualified persons employed, or otherwise engaged in connection with the operation of the corporation.

(b) No Self-Benefit. No part of the net earnings of the corporation shall inure to the benefit of any member, director, trustee, or officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes), and no member, director, trustee, or officer of the corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

(c) Dissolution. Upon the dissolution of the corporation, or the winding up of its affairs, the assets of the corporation, if any, shall be distributed exclusively to, or for the benefit of the Houston Apartment Foundation, Inc., Houston, Texas, or to its organization successor thereto.

(d) General. In general, and subject to limitations and conditions as are or may be prescribed by law, to exercise such other powers which now or hereafter may be conferred by law upon a corporation organized for the purposes hereinabove set forth or are necessary or incidental to, the powers so conferred or conducive to the attainment of the purposes of the corporation, subject to the further limitation and condition that only such powers shall be

exercised, as are in the furtherance of the exempt purposes of the organization, set forth in Section 501(c)(6) of the Internal Revenue Code of 1954, as it now exists, or as it may hereafter be amended.

(e) Unlawful Activity. None of the foregoing purposes are intended or shall be construed, to authorize the corporation to engage in any activity or to do any act or thing which is expressly prohibited by any law of the State of Texas, or to engage in any act prohibited by Paragraph B of Section 2.01 of

Article 1396 of the Texas Non-Profit Corporation Act.

(f) Tax Implications. The corporation shall make distributions at such time and in such manner, as not to subject it to tax under Section 4942 of the Internal Revenue Code of 1954; the corporation shall not engage in any act of self-dealing which will be subject to tax under Section 4941 of the Code; the corporation shall not retain any excess business holdings which would subject it to tax under Section 4943; the corporation shall not make any investments which would subject it to tax under Section 4944 of the Code; and the corporation shall not make any tax expenditures which would subject it to tax under Section 4945 of the Code.

## Article III

### Offices

3.01 Principal Office. The principal office of the corporation shall be in Houston, Texas, as shall be established from time to time by the Board of Directors. The corporation may also maintain other offices at such places within or without the State of Texas, as the Board of Directors may from time to time appoint, or as the affairs of the corporation may require.

3.02 Registered Agent and Office. The registered office of the corporation shall be 5051 Westheimer, Suite 1200, Houston, Texas 77056 and the name of the registered agent at such address shall be Howard M. Bookstaff. Notwithstanding any other provision in these by-laws to the contrary, however, such registered office and such registered agent may be

changed by resolution of the Board of Directors and upon the filing of a statement to such effect with the Secretary of State of Texas.

## **Article IV**

### **Members**

4.01 Generally. The corporation shall not have shares of stock of any class and shall not be owned by any person or persons, trust or corporation. The corporation shall have only those types and classes of members as provided for in this Article.

4.02 Membership. Membership is open to any person, firm, partnership, corporation, or other entity interested in the multi-housing industry as determined by the Board, who meets the requirements set forth in Article IV, Paragraph 4.04, and who shall otherwise qualify. Membership shall be divided into the following classifications:

(a) Owner-Management Company Members. This classification shall include all members not listed as associate members, sponsor associate members, or patron associate members, and who own and/or manage rental units, apartments and other multi-unit dwellings.

(b) Supplemental Owner Members. This classification shall include owners of rental units, apartments and other multi-unit dwellings, who are represented by and whose properties are managed by Management Company Members but who desire to participate directly in the affairs of the Association.

(c) Prospective Owner Members. This classification shall include investors interested in becoming an owner of a rental unit, apartment or other multi-unit dwelling.

(d) Associate Members. This classification shall include any person, firm, partnership, corporation, or other entity interested in providing products and/or services to the multi-housing industry, as determined by the Board, who does not qualify as an owner-management company member, and who meets the requirements set forth in Article IV, Paragraph 4.04, and who shall otherwise qualify. Within the associate member classification, there shall also be the following sub-classifications, to wit:

(i) Sponsor Associate Members. This classification is available to associate members upon compliance with such

guidelines as are established by the Board of Directors. The names of all sponsor associate members shall be included in a prominent place in the Association's directory and other publications and shall receive additional advertising benefits as established by the Board of Directors.

(ii) Patron Associate Members. This classification is available annually to twelve associate members, upon compliance with such guidelines as are established by the Board of Directors. In addition to the benefits of a sponsor associate members, patron associate members shall receive increased advertising benefits as established by the Board of Directors.

(e) Honorary Life Members. This classification is available to persons, firms, partnerships, corporations, or other entities, who have shown a continuing interest in the multi-housing industry, and whose contributions to said industry have been significant in the opinion of the Board of Directors. The Board of Directors shall establish such guidelines as it deems proper for membership in this classification.

4.03 Voting. Each member shall be entitled to one (1) vote, either in person or by proxy, in writing, filed with the Secretary of the meeting. No proxy shall be valid after three (3) months from the date of its execution and each proxy shall be revocable unless expressly provided therein to be irrevocable, or unless otherwise made irrevocable by law.

4.04 Election of Members. All applicants for membership shall be accompanied by a signed Membership Application, wherein all applicants agree to abide by these by-laws, as they now exist or might later be amended, the Association's Code of Ethics, and all decisions and policies of all of the Association's committees, including, by way of example and not limitation, the Ethics Committee, the Fair Housing Committee, and the Resident Relations Committee, together with payment of the first full year's dues. No membership shall be considered by the Board of Directors unless the foregoing requirements are met. An affirmative vote of two-thirds (2/3) of the directors present and voting shall be required for election to membership. Provided however, upon submittal of a signed Membership Application and payment of the appropriate membership fee, a member shall become a provisional member of the corporation and be entitled to all benefits of membership until the board meeting at which the application is con-

sidered (if consideration of the Membership Application has been tabled at a board meeting, the member shall be allowed provisional membership with benefits of membership until the board meeting following the meeting at which the consideration of the application was tabled).

4.05 Termination of Membership. The Board of Directors, by affirmative vote of two-thirds (2/3) of all of the members of the Board, may suspend, expel a member or terminate a membership for cause due to the conduct of the member (which may include a violation of the Code of Ethics or of a member's failure to pay amounts due to the HAA, the Houston Multi-Housing Corp., or the Houston Apartment Foundation, Inc.), after an appropriate hearing process as determined by the Board of Directors.

4.06 Resignation. Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

4.07 Reinstatement. Upon written request signed by a former member and filed with the Secretary, the Board of Directors may, by the affirmative vote of two-thirds (2/3) of the members of the Board, reinstate such former member to membership on such terms as the Board of Directors may deem appropriate.

4.08 Transfer of Membership. Membership in this corporation is not transferable or assignable.

4.09 Annual Meeting of Members. Unless otherwise resolved by the Board of Directors, the annual meeting of the members shall be held in November of each year, for the purpose of electing directors and for the transaction of other business as may properly come before the meeting.

4.10 Regular and Special Meetings of Members. Regular meetings of the members may be held at such time and such place as shall, from time to time by resolution, be determined by the Board of Directors. Special meetings of the members may be called by the President, the Chief Administrative Officer, the Board of Directors, or not less than one-tenth (1/10) of the members having voting rights. Except as otherwise provided herein, the meetings of the members may be held at such

place, within or without the State of Texas, as may be stated in the notice of the meeting or the waiver thereof.

4.11 Notice of the Meetings. Notice of the time and place of each meeting of the members, whether it be regular or special, annual or otherwise, may be by personal delivery, electronic mail, first class mail or certified mail, return receipt requested, to the members at least five (5) days before such meeting. Nothing contained in this paragraph to the contrary, shall prevent the members from waiving the notice requirement as to the time or place of the meeting.

4.12 Informal Action by Members. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of the members, may be taken without a meeting, if a consent in writing, setting forth the actions so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

4.13 Quorum. The members holding ten percent (10%) of the votes which may be cast at any meeting, whether those votes be present in person, or by proxy, shall constitute a quorum at such meeting. If a quorum is not present at any meeting of the members, a majority of the members present may adjourn the meeting from time to time without further notice.

4.14 Voting by Mail. The Board of Directors may, by resolution, submit matters to the membership by mail (including electronic mail) and to conduct such elections, polls, surveys, and resolutions, in such a manner, by mail (including electronic mail), as the Board of Directors shall determine in said resolution.

4.15 Authority to Vote. Whether a member be a corporation, partnership, firm, association, proprietorship, trust, or any other entity, the vote of a member may be cast at any meeting, regular or special, by any person who is a part of the members' organization, or by any other person who is authorized in writing to represent the member at the meeting.

## **Article V**

### **Board of Directors**

5.01 Board of Directors. The business, affairs, and property of the corporation shall be managed and controlled by the Board of Directors. Directors must be residents of the

State of Texas. Directors elected at an annual meeting of the members shall serve for a period of three (3) years beginning on January 1 of the year after the annual meeting at which the director was elected unless otherwise determined by the members.

5.02 Number of Directors. There shall be no maximum number of directors serving on the Board of Directors. However, the minimum number of directors of the corporation shall be twenty four (24). Of these directors, at least sixteen (16) shall be owners/management company members, at least four (4) shall be associate members and the immediate past four (4) Presidents (if willing to serve) of the corporation. Any other past President of the corporation may attend Board meetings and participate in discussion as a non-voting member. The minimum number of directorships may be increased or decreased from time to time by amendment to these by-laws, but no decrease in the minimum number of directors shall have the effect of shortening the term of any incumbent director.

5.03 Newly Created Directorships. If the minimum number of directors is increased and the board, prior to such increase, had less than the minimum number of directors, the newly created directorships resulting from the increase in the authorized minimum number of directors may be filled by a majority of the directors then in office, though less than a quorum, and the directors so chosen shall hold office until their successors shall be duly elected and shall qualify.

5.04 Vacancies. In case of any vacancies in the Board of Directors through death, resignation, disqualification, removal or any other cause, the vacancies thus created may be filled by the President, subject to the approval of a majority of the directors then in office, though less than a quorum and the directors so chosen shall hold office until their successors shall be duly elected and shall qualify. In the event a vacancy is created by the death, resignation, disqualification, removal or any other cause of the President, the vacancy shall be filled by the vote of the remaining members of the Board of Directors then in office, though less than a quorum and the President so chosen shall hold office until his or her successor shall be duly elected and shall qualify.

5.05 Resignations. Any director may resign at any time by giving written notice to the Board of Directors or the President or the

Secretary/Treasurer of the corporation. Such resignation shall take effect at the time specified therein, or, if no time is specified therein, then upon receipt of such notice by the addressee. The acceptance of such resignation shall not be necessary to make it effective.

5.06 Removal.

(a) Good Cause. Any director may be removed from office, for good cause shown, upon the affirmative vote of two-thirds (2/3) vote in number of the remaining directors, excluding for purposes of calculating the vote, the accused director, at any regular or special meeting of the directors, provided that notice of the intention to act upon such matters shall have been given in the notice calling such meeting, or the waiver of such notice.

(b) Unaffiliation. Any director shall be removed from office if during the director's term, the director becomes unaffiliated with a member unless, after the director becomes unaffiliated, the director becomes affiliated with another member within the next six (6) months or by the end of the calendar year, whichever is later. If the director does not become, and remain, affiliated with another member within this time frame, the director shall be automatically removed from office without further action of the Board effective as of six (6) months from the date the director's affiliation with the member ceases or the end of the calendar year, whichever is later.

(c) Absences. When any director is absent from three (3) consecutive regularly scheduled meetings of the Board, his or her directorship shall automatically terminate, no further action of the Board being necessary. In the event of removal, the vacancy shall be filled as provided in paragraph 5.04. Notwithstanding the foregoing, if the reason for a director's absence is due to the director's attendance at a sanctioned TAA or NAA event, such absence shall not be considered in the calculation of whether the director was absent from three (3) consecutive regularly scheduled meetings of the Board.

5.07 Powers. In addition to the power and authority expressly conferred upon the Board of Directors by the laws of the State of Texas, by the Articles of Incorporation, or other certificate filed pursuant to law, and by these by-laws, the Board may exercise all of the powers of the corporation and do all such

lawful things and acts as may be done by the corporation.

5.08 Quorum. At all meetings of the Board of Directors, ten (10) of the directors present in person and then in office, shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum, shall be the act of the Board of Directors. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained.

5.09 Proxy. A director may vote in person or by proxy, executed in writing, by said director. No proxy shall be valid after three (3) months from the date of its execution and each proxy shall be revocable unless expressly provided therein to be irrevocable, or unless otherwise made irrevocable by law.

5.10 Annual Meeting. The annual meeting of the Board of Directors, for the election of officers and the transaction of such other business as may come before it, shall be held at the office of the corporation in Houston, Texas, unless otherwise determined by the Board of Directors, during November in each year.

5.11 Regular and Special Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall, from time to time by resolution, be determined by the Board. Special meetings may be held when called by the President, President Elect, Secretary/Treasurer, Chief Administrative Officer, or any two (2) directors. Except as otherwise provided herein, the meetings of the Board of Directors may be held at such place, within or without the State of Texas, as may be by personal delivery, electronic mail, first class mail, or certified mail, return receipt requested.

5.12 Notice of Meetings. Notice of the time and place of each meeting of the Board of Directors, whether it be regular or special, annual or otherwise, may be delivered personally or by mail to the members of the Board of Directors, at least ten (10) days before such meeting. Nothing contained in this paragraph to the contrary, shall prevent the Board of Directors from waiving the notice requirement, as to the time or place of meeting.

5.13 Order of Business. At meetings of the Board of Directors, business shall be transacted in such order as from time to time the Board of Directors may determine.

5.14 Compensation. Directors, as such, shall not be entitled to receive any fixed sums for their services, but, by resolution of the Board, a fixed sum and expenses of attendance, if any, may be provided for attendants of the Board meetings; provided that nothing herein contained shall be interpreted to preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

5.15 Informal Action by Directors. Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if a consent, in writing, setting forth the actions so taken, shall be signed by all of the directors.

5.16 Advisory Directors. Annually, at the same time the nominating committee makes its recommendations of individuals to serve as members of the Board of Directors, the nominating committee may, at its discretion, nominate one or more individuals to serve in the capacity of an Advisory Director. Advisory Directors may attend all Board meetings and participate in all discussion at those meetings. Advisory Directors shall have such duties as assigned them by the Board of Directors or the President, but shall not have the right to vote and their presence or absence shall not be considered in the determination of a quorum. Advisory Directors elected at an annual meeting of members shall serve a term of one (1) year beginning on January 1 of the year following the annual meeting at which the advisory director was elected unless otherwise determined by the members. Between annual meetings of the members, and subject to the approval of the Board of Directors, the President may appoint advisory members to the Board.

5.17 Directors Emeritus. At any duly constituted meeting of the Board of Directors, nominations may be taken and votes cast to elect any person as a director emeritus of the corporation. Each director emeritus will have the right to attend all duly constituted meetings of the Board of Directors. Provided, however, a director emeritus shall have no voting rights unless the director emeritus has elected in accordance with the procedure identified

below to serve on the Board of Directors; in which case, the director emeritus shall have all rights (including the right to vote) and all obligations (including attendance and participation obligations) of other directors. Directors emeritus shall receive notice of all monthly and annual meetings of the Board of Directors, but unless a director emeritus has become a director on the Board of Directors, his or her presence or absence at such meetings shall not be considered in the determination of a quorum. The term of director emeritus shall be for life, unless the director emeritus resigns by giving written notice to the President of the corporation or is removed by the affirmative vote of two-thirds of directors at a Board of Directors' meeting at which a quorum is present.

In order to become a member of the Board of Directors, a director emeritus shall provide written notice to the President at or before the end of the annual meeting of the members held the year prior to the year in which the director emeritus' term as a director would begin. A director emeritus becoming a member of the Board of Directors shall have all the rights (including the right to vote) and all the obligations (including attendance and participation obligations) of any other person serving as a director on the Board of Directors, including having a term of 3 years and being subject to being removed as provided in these By-laws. In the event that a director emeritus is removed for cause as a member of the Board of Directors pursuant to Section 5.06(a), the director emeritus shall not be entitled to reinstate such directorship unless and until approved by the affirmative vote of two-thirds of directors at a Board of Directors' meeting at which a quorum is present. In the event that a director emeritus is removed without cause or loses his or her directorship by virtue of being absent from 3 consecutive regularly scheduled meetings of the Board, such director shall be entitled to serve for a new term on the Board by providing written notice to the President of the corporation at or before the end of the annual meeting of the members held the year prior to the year in which the director emeritus' term as a director would begin.

## **Article VI**

### **Officers**

6.01 Number. The officers of the corporation shall be chosen by the Board of Directors. The officers shall be a President, President Elect, Secretary/Treasurer, and no more than 5 Vice Presidents at Large, as the Board from

time to time may determine. Except for the office of Secretary/Treasurer, who shall be one person, no person may hold more than one office at a time. All officers must be members of the Board, and must be owner-management company members.

6.02 Additional Officers. The Board may appoint such other officers, agents and factors as it shall deem necessary.

6.03 Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. Each officer shall hold office for a period of one (1) year beginning on January 1 after the annual meeting of the Board of Directors at which the officer was elected unless otherwise determined by the Board of Directors.

6.04 Removal. Any officer, including, the choosing of a successor, the President, Secretary/Treasurer, may be removed from office at any time by a two-thirds (2/3) vote of the entire Board of Directors, with or without cause.

6.05 Powers and Duties of Officers. The officers so chosen, shall perform the following duties and exercise the following powers as well as such other duties and powers, as may be assigned to them from time to time by the Board of Directors or the President:

(a) President. The President, subject to the control of the Board of Directors, shall be in general charge of the affairs of the corporation in the ordinary course of its business; The President shall preside at all meetings of the stockholders and of the Board of Directors, may make, sign and execute all deeds, conveyances, assignments, bonds, contracts and other obligations, and any and all other instruments and papers of any kind or character in the name of the corporation; and, with the Secretary/Treasurer may sign all certificates for shares of the capital stock of the corporation. The President shall do and perform such other duties as may from time to time be assigned to him or her by the Board of Directors.

(b) President-Elect. The President-Elect shall have all of the powers and duties assigned to him or her by the President, and shall have and exercise the

powers of the President during the officer's absence or inability to act. Any action taken by a President-Elect in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken. In the event of the President's death, resignation, disqualification, removal or for any other cause, resulting in a vacancy in the office of President, the President-Elect shall temporarily succeed to the powers, duties and responsibilities of the office of President, until such time as the Board of Directors can meet and choose a successor to its President.

(c) Secretary/Treasurer. The Secretary/Treasurer shall be responsible for keeping the minutes of all meetings of the Board of Directors and the minutes of all meetings of the stockholders in books provided for that purpose. He or she shall attend to the giving and serving of all notices and may sign with the President or President-elect in the name of the corporation all contracts, conveyances, transfers, assignments, authorizations, and other instruments of the corporation and affix the seal of the corporation thereto. The Secretary/Treasurer shall have charge of and maintain and keep the stock certificate books, transfer books and stock ledgers, such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to the inspection of any director upon request at the office of the corporation during business hours. The Secretary/Treasurer shall have custody of all funds and securities of the corporation, which come into his or her hands. When necessary or proper, the Secretary/Treasurer may endorse, on behalf of the corporation for collection, checks, notes and other obligations, and shall deposit the same to the credit of the corporation, either alone or jointly with such officers as is designated by the Board of Directors. Whenever required by the Board of Directors, the Secretary/Treasurer shall render a statement of the corporation's cash account. The Secretary/Treasurer shall enter or cause to be entered regularly on the books of the corporation, to be kept for that purpose, full and accurate accounts of all monies received and paid out. He or she shall, in general, perform all duties incident to the office of the secretary/treasurer subject to the control of the Board of Directors.

(d) Vice Presidents at Large. Each Vice President at Large shall: (i) have served at least 1 year on the Board before being elected as a Vice President at Large; (ii) serve for a term of 1 year; and (iii) have such powers and duties as may be assigned to him or her by the President or the Board of Directors.

## **Article VII**

### **Committees**

7.01 Executive Committee. There shall be an Executive Committee consisting of the President, the President Elect, the Secretary/Treasurer, the Vice Presidents at Large, the immediate past President, and the Chief Administrative Officer (who shall not be a voting member). The President shall chair the Executive Committee and preside at all Executive Committee meetings. The Executive Committee shall have and may exercise all of the powers of the Board of Directors (when the Board is not in session) in the management of the business and the affairs of the corporation (and may authorize the seal of the corporation to be affixed to all papers which may require it), except that the Executive Committee shall have no powers (a) to elect directors; (b) to alter, amend or repeal these by-laws or by any resolution or resolutions of the directors designating an Executive Committee; (c) to appoint any member to the Executive Committee; (d) to authorize the sale, lease, exchange, or mortgage of all or substantially all of the property or assets of the corporation; or (e) to authorize the merger, dissolution or consolidation of the corporation or to revoke proceedings therefore. Regular meetings of the Executive Committee shall be held at least 2 times per year at such time and place as the President or any two members may determine. Notice of each meeting of the Executive Committee shall be given (or waived) in the same manner as notice for a directors' meetings and a majority of the members of the Executive Committee shall constitute a quorum for the transaction of business. Minutes of all such meetings of the Executive Committee shall be kept by or on behalf of the Secretary/Treasurer and presented to the Board of Directors.

7.02 Nominating Committee.

(a) Members. There shall be a Nominating Committee consisting of: (i) the immediate past three Presidents; (ii) the current President; (iii) the current

President Elect; (iv) the current Secretary/Treasurer; (v) the current Product Service Council President; and (vi) four other members to be appointed by the current President that are either Director Emeritus or past Presidents (other than the immediate past three Presidents). The chair of the Nominating Committee shall be the immediate past President. In the event that any Nominating Committee members are unable or unwilling to serve for any reason, the chair of the Nominating Committee (the immediate past President) shall designate a substitute member of the Nominating Committee from the same group, if possible, as the person that cannot serve. Accordingly, if a past President is unable or unwilling to serve, the chair shall appoint a past President; if the current President of the Product Service Council is unable or unwilling to serve, the chair shall appoint the immediate past Product Service Council President (if neither the current nor immediate past Product Service Council President is able or willing to serve, the President shall appoint another past Product Service Council President to serve) and if any designated Director Emeritus or past President is unable or unwilling to serve, the chair shall appoint another Director Emeritus or past President. In the event any other members of the Nominating Committee are unable or unwilling to serve, the chair shall assign another qualified candidate among previous past Presidents or Director Emeritus. In the event that the chair is unable or unwilling to serve, the remaining members of the Nominating Committee shall vote to appoint a past President or Director Emeritus to complete the Nominating Committee and shall elect, by a majority vote, a person then sitting on the Nominating Committee to be the chair of the Nominating Committee for the meeting or the remainder of the calendar year, as the case may be.

(b) Duty. The duty of the Nominating Committee shall be to identify and recommend candidates for the Board of Directors and the officers of the corporation.

(c) Meetings. The Nominating Committee shall meet at least annually prior to the annual meeting of the members at which the Nominating Committee recommendations will be considered. A majority of Nominating Committee members shall

constitute a quorum at any Nominating Committee meeting and there shall be no proxy voting. The procedure and protocol of the Nominating Committee's performance of its responsibilities shall be determined by the chair of the Nominating Committee. Each Nominating Committee member shall have one vote on the Nominating Committee. However, in the event of a tie, the chair shall have an extra vote to break the tie.

7.03 Standing Committees. In addition to the Executive Committee and the Nominating Committee, the corporation shall have the following standing committees:

- (a) Ethics Committee
- (b) Resident Relations Committee
- (c) Fair Housing Committee
- (d) Legislative Committee
- (e) Education Advisory Committee

7.04 Other Committees. Other committees, not having and exercising the authority of the Board of Directors in the management of the corporation, may be designated by a resolution adopted by a majority of the directors present at a meeting, at which a quorum is present. Except as otherwise provided, in such resolution, members of each such committee shall be members of the corporation, and the President of the corporation shall appoint the members thereof. Any members thereof may be removed by the person or persons authorized to appoint such member, whenever in their judgment the best interests of the corporation may be served by such removal.

7.05 Term of Office. Subject to other provisions of this Article, each member of a committee shall serve for a one (1) year term commencing on January 1 of the year following the member's appointment unless otherwise determined by the President or the Board of Directors or unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof, or unless the task or subject matter of the committee has concluded. There shall be no limits on the number of terms a member of a committee can serve.

## **Article VIII**

### **Financial Records and Reports**

8.01 Financial Records. The corporation shall maintain current, true and accurate finan-

cial records with full and complete entries made with respect to all financial transactions of the corporation, including all income and expenditures in accordance with generally accepted accounting practices.

8.02 Financial Reports. Based on the foregoing records, the Board of Directors shall annually prepare or approve the report of the financial activity of the corporation for the preceding year, which report shall conform to the accounting standards promulgated by the American Institute of Certified Public Accountants, including a statement of support, revenue and expenses, and changes in fund balances, and a statement of functional expenses and balance sheets for all funds.

8.03 Inspection of Books. The records, books, and annual reports of the financial activity of the corporation shall be kept at the principal office of the corporation for at least three (3) years after the closing of each fiscal year, and shall be available to the members for inspection and copying thereof, during normal business hours. The corporation may charge for reasonable expenses of preparing copies of such records or reports.

## **Article IX**

### **Dues**

9.01 Annual Dues and Assessments. The Board of Directors shall determine from time to time the amount of the annual dues payable to the corporation by the members of each classification. In addition to annual dues, the Board of Directors shall have the power and authority to establish all other dues and/or assessments that might be due or required by the corporation.

9.02 Payment of Dues. Dues are payable annually in advance and shall be due and payable on the first (1st) of the month of the annual anniversary date of membership. All applicants for membership must: (i) if the applicant is a owner-management company member or a supplemental Owner Member, identify properties and units owned or managed by the applicant in Austin, Brazoria, Chambers, Colorado, Fort Bend, Harris, Liberty, Matagorda, Montgomery, San Jacinto, Waller and Wharton counties, and any additional counties served by HAA at the time of application; and (ii) submit with their application, a full year's dues as provided above.

9.03 Default and Termination of Membership. When any member of any class shall be in default in the payment of amounts due to the HAA, the Houston Multi-Housing Corp., or the Houston Apartment Foundation, Inc. for a period of sixty (60) days from the date due, that member's membership shall automatically be cancelled and terminated without the necessity of action by the Board of Directors. However, the Board of Directors shall have the right to suspend or expel a member prior to this 60 day period pursuant to Article 4.05 of these Bylaws.

9.04 Refunds. No dues shall be refunded to any member whose membership terminates for any reason.

## **Article X**

Contracts, Checks, Drafts, Bank Accounts, Etc.

10.01 Authority to Contract. The Board of Directors, except as in these by-laws otherwise provided, may authorize any officer or officers, agent or agents, in the name of and on behalf of the corporation, to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Directors, or expressly authorized by the by-laws, no officer or agent or employee shall have any power or authority to bind the corporation by a contract or engagement or to pledge its credit or to render it liable for any purpose or any amount.

10.02 Loans. No loans shall be contracted on behalf of the corporation, and no negotiable papers shall be issued in its name, unless authorized by the vote of the Board of Directors.

10.03 Payment of Funds. All checks, drafts and other orders for the payment of money out of the funds of the corporation, and all notes or other evidences of indebtedness of the corporation, shall be signed on behalf of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors, or if the Board so delegates the Executive Committee, provided that no employee on leave of absence from the service of the corporation shall be authorized to sign any check, draft or other order for the payment of money out of the funds of the corporation.

10.04 Deposits. All funds of the corporation, not otherwise employed, shall be deposit-

ed from time to time, to the credit of the corporation, in such banks or other depositories as the Board of Directors may select and for the purpose of such deposit, the President, President Elect, Secretary/Treasurer or any other officer, agent or employee of the corporation to whom such power may be delegated by the Board of Directors, may endorse, assign and deliver checks, drafts and other orders for the payment of money which are payable to the order of the corporation.

10.05 Source of Funds. HAA shall be supported from dues, charges and assessments established by the Board of Directors, and with contributions of cash and property, received from foundations, corporations, organizations, churches, groups or individuals. The Board of Directors shall have the sole responsibility of accepting or refusing specific contributions.

## **Article XI**

Chief Administrative Officer

11.01 Designation. The Board of Directors shall, from time to time, employ a salaried staff head as Chief Administrative Officer of the corporation, who shall have the title of Executive Vice President and whose terms and conditions of employment shall be specified by the Board. The day-to-day administration and management of the corporation shall be vested in the Chief Administrative Officer, the Executive Vice President.

11.02 Duties and Responsibilities. The duties and responsibilities of the Chief Administrative Officer shall be outlined by the Board of Directors and may, from time to time, be modified or amended by the Board. By way of example, and not by way of limitation, the Chief Administrative Officer shall maintain the principal office of the HAA in which the records, properties, bonds, seal, documents and other books, documents, and records, shall be preserved and maintained. Additionally, the Chief Administrative Officer shall have the authority to delegate specialized areas of administrative functions to qualified administrative assistants and ancillary personnel within the corporation. He or she shall maintain, on file, complete descriptions of duties and responsibilities of the Chief Administrative Officer and all administrative assistants. He or she shall implement the decisions of the Board of Directors and Executive Committee; perform such other duties as may be assigned by the Board of Directors or Executive

Committee; provide for divisions or departments for the effective conduct of the corporation's activities, in accordance with the purposes of the corporation; employ, supervise, and determine the compensation of the employees of the corporation; have general charge of the operating activities of the corporation; preserve the communications pertaining to the affairs of the corporation; keep the minutes of the proceedings of all meetings of the corporation; give notice of meetings of the membership, directors and Executive Committee; keep a roll of the membership of the corporation; keep a proper account of all monies received and disbursed on behalf of the corporation and all records in connection therewith; and receive and deposit to the credit of the corporation, all monies due and payable to the corporation from any source whatsoever, in such banks, trust companies or other depositories as the Board of Directors may designate.

## **Article XII**

Indemnification and Insurance

12.01 Reference to Statute. Terms used in this Article XII, Section 12.01 and not otherwise defined shall have the same meanings as used in the TBOC. In the event of any conflict between the provisions of this Article XII, Section 12.01 and the TBOC, the provisions of the TBOC shall apply. It is the intention and purpose of this Article XII, Section 12.01 to establish guidelines for the administration of indemnification of those governing persons, former governing persons, directors and officers (all as defined in the TBOC) of HAA who have an action, claim, or proceeding brought against them arising out of their good faith performance of duties on behalf of or at the direction of the HAA. This Article XII, Section 12.01 is meant to incorporate and confirm to the greatest extent possible with the applicable provisions of the TBOC regarding the provision of indemnification and insurance.

12.02 Mandatory Indemnification. HAA shall indemnify a governing person, former governing person, director or officer against reasonable expenses actually incurred by the person in connection with a proceeding in which the person is a respondent because the person is or was a governing person, director or officer if the person is wholly successful, on the merits or otherwise, in the defense of the proceeding. It is the intention and purpose of this Article XII, Section 12.01 to incorporate the mandatory indemnification provisions of Chapter 8 of the TBOC.

12.03 Permissive Indemnification. Subject to Chapter 8, Subchapter C of the TBOC, HAA may determine to make such indemnifications, pay or reimburse such reasonable expenses, or purchase and maintain insurance, all as described in and pursuant to Chapter 8, Subchapters C and D of the TBOC. In connection therewith, the determinations required to be made under Section 8.101(a) of the TBOC shall be made by a majority vote of the Executive Committee who are disinterested and independent at the time of the vote.

### **Article XIII**

#### **Non-Discriminatory Policy**

13.01 Discrimination Policy. The HAA in any and all of its schools, facilities, seminars, classes, lectures, and all other educational forums and activities and any and all other activities that might be undertaken by the corporation, adopts a non-discriminatory policy. The HAA admits members and provides members rights, privileges, programs and activities without regard to race, color, religion, national origin, sex, disability or any other class protected by applicable law. The HAA complies with all applicable laws prohibiting discrimination in employment activities including those which prohibit discrimination on the basis of race, color, religion, sex, national origin, age and disability.

### **Article XIV**

#### **Miscellaneous**

14.01 Joint Undertakings. HAA, through Board action, may participate in joint projects or programs with other groups, corporations, agencies, or organizations, within the limitations imposed upon tax exempt organizations established by the Internal Revenue Code.

14.02 Office. The principal place of business and office of the corporation in the State of Texas shall be in Houston, Texas.

14.03 Seal. The corporate seal shall be circular in form with the name of the corporation inscribed around the margin, and with a five pointed star in the center, or may be in such form as prescribed by the Board of Directors or may be dispensed with entirely by the Board of Directors.

14.04 Fiscal Year. The fiscal year shall be as is from time to time determined by the Board of Directors.

14.05 Loans to Officers and Directors. No loans shall be made by the corporation to any of its officers and directors.

14.06 Amendment of By-Laws. Subject to the provisions contained elsewhere herein, the power to alter, amend or repeal the by-laws, or to adopt new by-laws shall be vested in the Board of Directors who may amend, alter, or repeal the same at any annual or special meeting, if notice of the proposed action is contained in the notice of said meeting, upon two-thirds (2/3rds) vote of the entire Board of Directors.

14.07 Amendment to the Charter. The power to alter, amend, or repeal the charter of the corporation, or to adopt a new charter, or to amend the charter, shall be vested in the Board of Directors.

14.08 Dissolution. Upon the termination of this corporation, after satisfaction of all of its obligations as they might be determined, all assets of the corporation shall be distributed exclusively to and for the benefit of the Houston Apartment Foundation, Inc. or to such organization as may then exist as successor to said Houston Apartment Foundation, Inc., and to no other person, trust or corporation. Notwithstanding any other provision hereof, no power or authority shall be exercised by the Board of Directors in any manner, or for any purpose whatsoever, which may jeopardize the status of the corporation as an exempt

organization under Section 501(c)(6) of the Internal Revenue Code, as such Section now exist or as the may hereafter be amended.

14.09 Section Headings. The headings of the articles and sections of these by-laws are inserted for convenience or reference only and shall not be deemed to be a part thereof or used in the construction or interpretation thereof.

14.10 ABODE Magazine. ABODE magazine is the official publication of the HAA /Houston Multi Housing Corporation. The subscription rate is included as part of membership dues for the HAA.

14.11 Code of Ethics. The HAA Code of Ethics is hereby incorporated into these Bylaws. The provisions of these Code of Ethics shall have the same force and effect as if they were included in the Bylaws.

*As of 8/16/2018*