

Bylaws of the Tenth District of the American Advertising Federation

Amended at the Central Region business meeting in Evansville, IN on Sept. 20, 2019

ARTICLE 1 - NAME AND AFFILIATION

The name of this organization shall be the American Advertising Federation Tenth District, also known as the Tenth District, and shall be affiliated with the American Advertising Federation.

ARTICLE II - PURPOSE AND STRUCTURE

Section 1. Purpose. The purpose of this organization shall be to foster the formation and aid the development of Advertising Clubs in the Southwest; to promote public confidence in and response to legitimate advertising; and to assist the American Advertising Federation in the development and operation of its national program.

Section 2. Structure. A Texas Non-profit Corporation that is recognized under Section 501(c)(6) of the Internal Revenue Code. The organization shall be comprised of advertising clubs and federations in the states of Arkansas, western Louisiana, Oklahoma and Texas (except El Paso) and their members.

ARTICLE III - MEMBERSHIP

Section 1. There shall be two classes of members:

- 1) Active members
- 2) Ad 2 members

Section 2. Active members shall be those persons who are members of advertising clubs within the jurisdiction of, and in good standing with, the Tenth District, and whose District dues have been paid in full by their local club.

Section 3. Ad 2 members shall be those persons who are members of Ad 2 clubs within the jurisdiction of, and in good standing with, the Tenth District, and whose District dues have been paid by their local Ad 2 club/federation.

Section 7. Annual dues for Active and AD 2-members shall be set by the Board of Directors at the Annual Meeting.

ARTICLE IV - OFFICERS

Section 1. Officers of the Tenth District shall be Governor, First Lieutenant Governor, Second Lieutenant Governor and the Immediate Past Governor. These officers perform the duties prescribed by these bylaws and by the parliamentary authority adopted by the Tenth District.

Section 2. At their first regular meeting after the Annual Meeting, the Executive Committee shall appoint a nominating committee of seven (7) members of the Board of Directors, including the Immediate Past Governor, one other Past Governor, one member of the board of Directors from each state --Arkansas, western Louisiana, Oklahoma and Texas -- and an at-large Chairman of the committee, quorum of four (4) being necessary. The Nominating Committee, at the last regular meeting before the Annual Meeting, shall name at least one nominee for the offices of Governor, First Lieutenant Governor, and Second

Lieutenant Governor. At that time, additional nominations from the floor shall be permitted.

Section 3. At the Annual Meeting, officers shall be elected from the nominees for a period of one year or until their successors are elected. The official term and fiscal year begins July 1 through June 30 of the ensuing year.

Section 4. All elections for offices for which there are more than one nominee shall be by ballot.

Section 5. No elected member shall hold more than one office at a time and no elected member shall serve more than two consecutive terms in the same office.

Section 6. In the case of vacancy in an elected office due to death or resignation, the Board of Directors shall appoint a person to fulfill the unexpired portion of the term of office.

ARTICLE V - BOARD OF DIRECTORS

Section 1. The governing body of the Tenth District shall be the Board of Directors who shall have full authority over the business of the Tenth District.

Section 2. The Board of Directors shall be composed of delegates from clubs having at least thirty (30) members in the Tenth District. Each club shall appoint one (1) director for their first thirty (30) members or portion thereof, and one (1) additional director for each additional thirty (30) members or major portion thereof, providing that no more than three (3) directors shall be appointed from any club or Ad 2 club. Each club shall have full freedom in choosing its method of appointing District Directors. In addition, all elected officers, Past Governors of the Tenth District, all Committee chairs and co-chairs, all Honorary members of the Tenth District shall be ex officio members of the Board of Directors and shall have one vote, not subject to proxy, when present at a Board of Directors meeting. No one shall have more than one vote even though he or she may qualify in more than one category.

Section 3. The term of office of Directors shall be for one year or until their successors are named, beginning with the first District meeting after their appointment by their club. Vacancies on the Board of Directors shall be filled by the affected club and shall become effective after notification has been received by the Executive Director.

Section 4. Only club-appointed delegates may vote by proxy, providing said proxy has been delivered in writing to the Executive Director for verification prior to the start of the Business Meeting at which it is to be exercised. Such written proxy must be signed by the President of the Director's club or federation.

ARTICLE VI - MEETINGS

Section 1. The Board of Directors shall meet at least two times each year including at least one meeting, to be known as the Annual Meeting, which shall be held between April 1 and May 31.

Section 2. To assure high quality of advertising programs at District Conventions, the annual Tenth District Convention shall be the responsibility of the host

club, with assistance provided by the Convention Committee, and oversight provided by the Executive Committee.

Section 3. Special meetings of the Board of Directors may be called by the Governor or by written request of twenty (20) Directors. The purpose of the meeting shall be stated in the call and at least thirty (30) days notice shall be given the members.

Section 4. The date and place of regular meetings shall be determined by the Board of Directors. The date, time and place of special meetings shall be determined by the Governor.

Section 5. The Board of Directors may, at its discretion, delegate any of its authority not specifically stated in these bylaws to the Executive Committee.

Section 6. One-third (1/3) of the membership of the Board of Directors, representing a majority of the member clubs, shall constitute a quorum.

ARTICLE VII - EXECUTIVE COMMITTEE

Section 1. An Executive Committee, consisting of the Governor, First Lieutenant Governor, Second Lieutenant Governor, and Immediate Past Governor, as well as a representative from a chapter of Ad 2, and a representative from each state within the Tenth District (Arkansas, western Louisiana, Oklahoma and Texas) shall exercise such powers as have been delegated them by the Board of Directors and these bylaws. The Executive Director shall serve as an ex officio (non-voting) member of the Executive Committee. In addition, past COG Chairs from the Tenth District serve as ex officio (non-voting) members of the Executive Committee.

Section 2. All actions and decisions of the Executive Committee shall be reported to and reviewed by the Board of Directors at each of its regular meetings.

Section 3. The Executive Committee shall meet at least four (4) times each year.

Section 4. Five members of the Executive Committee shall constitute a quorum.

Section 5. An Executive Director shall be retained by the Executive Committee for an indefinite period of time upon confirmation by the Board of Directors at any regular meeting. Compensation for the Executive Director shall be determined as part of the annual budgeting process as approved at the Annual Meeting. The Executive Director's contract can be terminated by the Executive Committee, with confirmation by the board of directors at any regular meeting.

ARTICLE VIII – Ad 2 REPRESENTATIVE & STATE REPRESENTATIVES

Section 1. Selection. The incoming governor in odd-numbered years will appoint a representative for the states of Texas and Oklahoma. The incoming governor in even-numbered years will appoint a representative from Arkansas and western Louisiana. The incoming governor will appoint a representative from an active Ad 2 chapter within the Tenth District to serve on the Executive Committee.

Section 2. Term of Office. Each state representative will have a term of two years. No state representative shall serve more than two consecutive terms on the executive committee. The Ad 2 representative will have a term of one year.

No Ad 2 representative shall serve more than four terms on the Executive Committee.

Section 3. Duties/Vote. State representatives are charged with representing their states at all Executive Committee meetings, and shall have one vote each on the Executive Committee. The Ad 2 representative is charged with representing all Tenth District Ad 2 clubs at all Executive Committee meetings, and shall have one vote each on the Executive Committee.

Section 4. Removal. A State Representative can be removed from office by majority vote of the Executive Committee at any regular meeting. The Ad 2 representative can be removed from office by majority vote of the Executive Committee at any regular meeting.

ARTICLE IX - COMMITTEES

Section 1. A Budget Committee shall be composed of the Executive Committee. It shall be the duty of this committee to prepare a budget for the fiscal year beginning July 1, and to submit it to the Board of Directors at the annual meeting prior to the start of the fiscal year.

Section 2. An Audit/Finance Committee composed of other members of the Board of Directors shall be appointed by the Executive Committee within thirty (30) days after the Annual Meeting. This committee shall review the Executive Director/Treasurer's accounts at the close of the fiscal year and shall report at the next regular meeting. The Audit/Finance Committee shall report at each meeting as to the fiscal position of the Tenth District.

Section 3. In addition, the Governor shall appoint chairs of the following standing committees, with approval of the Executive Committee, within thirty (30) days after the Annual Meeting:

- American Advertising Awards (ADDYS)
- Advertising Education Sponsors
- Bylaws and Resolutions
- Legislative

Section 4. Duties of the standing committees shall be determined by the Executive Committee.

Section 5. Such other committees, standing or special, shall be appointed by the Governor or by direction of the Board of Directors as shall from time to time be necessary to carry on the work of the Tenth District.

Section 6. The Governor shall be an ex officio member of all committees except the Nominating Committee.

ARTICLE X - RECEIPTS AND DISBURSEMENTS

Section 1. Dues of the members of the Tenth District shall be payable on an annual basis. Dues shall be billed on July 1 and due within 30 days. Dues shall be paid to the Executive Director of the Tenth District for each affiliate club based upon current membership. The Executive Director shall notify clubs thirty (30) days in arrears, and clubs whose dues are not paid within forty-five (45) days thereafter shall lose voting privileges at meetings of the Board of Directors until such dues have been paid.

Section 2. Except for routine operating expenses, no debt shall be incurred or contracted except by two-thirds (2/3) vote of the Board of Directors. All such bills contracted by the Tenth District shall be promptly paid by the Executive Director with written or electronic approval by the Governor or deputy.

Section 3. Transportation and other reasonable and necessary expenses of the Governor and of the Executive Director in the performance of their duties shall be paid by the Tenth District, providing such expenses do not exceed the available funds of the District.

Section 4. The Board of Directors shall, at its discretion, provide for compensation pertaining to the contract position of Executive Director.

Section 5. The Executive Director shall use commonly accepted accounting methods in keeping the financial records of the Tenth District and shall make said records immediately available to the Executive Committee and the Audit/Finance Committee. An internal audit by the Audit/Finance Committee is to be conducted every year except when outside audit by CPA is done every third year.

ARTICLE XI - PARLIAMENTARY AUTHORITY

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Tenth District in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Tenth District may adopt.

ARTICLE XII - BETTER BUSINESS BUREAUS

The Tenth District AAF shall work in close cooperation with accredited Better Business Bureaus and any other groups serving business to the end that fraudulent and unethical advertising may be eliminated.

ARTICLE XIII - AMENDMENTS OF BYLAWS

These bylaws may be amended at any regular meeting of the Board of Directors of the Tenth District by a two-thirds (2/3) vote of those present at that regular meeting, provided that the amendment has been submitted in writing or electronically to the Directors at least thirty (30) days prior to the meeting.

ARTICLE XIV - INDEMNIFICATION

The Tenth District may, by resolution of the Board, direct the Treasurer to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, a present or former Director, Officer, or employee of the Tenth District in an action brought by a third party against such a person, whether or not the Tenth District is joined as a party defendant, for an act alleged to have been committed by such person while a Director, Officer or employee, or by the Tenth District, or by both, provided the Board determines such Director, Officer or employee was acting in good faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interests of the Tenth District. Payments authorized hereunder include amounts paid and expenses incurred in settling any such action or threatened action. The

provisions of this paragraph shall apply to the estate, executor, administrator, heirs, legatees, or devisees of a Director, Officer, or employee and the term "person" where used herein shall include the estate, executor, administrator, heirs, legatees, or devisees or such person.

ARTICLE XV - LIMITATION ON LIABILITY OF DIRECTORS

Section 1. Personal Liability. No Officer or Director shall be personally liable to the Tenth District for monetary damages for any breach of fiduciary duty by such Officer or Director as an Officer or Director notwithstanding any provision of law imposing such liability, except that, to the extent provided by applicable law, this provision shall not eliminate or limit the liability of an Officer or Director:

- (i) for breach of the Officer's or Director's duty of loyalty to the Tenth District,
- (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or
- (iii) for any transaction from which the Officer or Director derived an improper personal benefit.

Section 2. Amendment or Repeal of this Article. No amendment or repeal of this article shall deprive an Officer or Director of the benefits hereof with respect to any act or omission occurring prior to such amendment or repeal.

ARTICLE XVI - DISSOLUTION OF THE TENTH DISTRICT CORPORATION

Section 1. Dissolution. In order to dissolve this corporation, the Board must present a resolution to the active membership recommending that the corporation be dissolved. A proposal for dissolution may be considered at a regular or special meeting of the active membership only after thirty (30) days notice in writing is given to each member in good standing. The resolution to dissolve shall be adopted upon receiving 60% of the votes entitled to be cast by active members present at such regular or special meeting. This organization shall not be dissolved while 40% of the members in good standing dissent.

Section 2. Resolution. Upon adoption of the resolution for dissolution, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(6) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose, and in accord with the provisions of article 6.02(3) of the Texas Nonprofit Association Act or its future equivalent. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Tenth District is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine which are organized and operated exclusively for such purposes.