

BYLAWS
OF THE
CABIN JOHN PARK VOLUNTEER FIRE DEPARTMENT,
INCORPORATED 2019

SECTION 1. NAME	1
SECTION 2. MISSION	3
SECTION 3. DEFINITIONS	3
SECTION 4. CLASSES OF MEMBERSHIP.....	3
SECTION 5. MEMBERSHIP PROCEDURES	6
SECTION 6. MEETINGS	8

SECTION 7. BOARD OF DIRECTORS..... 9

SECTION 8. OFFICERS 10

SECTION 9. COMMITTEES..... 12

SECTION 10. RECEIPTS AND EXPENDITURES..... 12

**SECTION 11. INDEMNIFICATION OF OFFICERS AND DIRECTORS AND
EMPLOYEE OR AGENT
..... 13**

SECTION 12. FISCAL YEAR..... 15

SECTION 13. ACCEPTANCE OF BYLAWS..... 15

SECTION 14. AMENDMENTS TO BYLAWS 15

SECTION 15. DISSOLUTION..... 15

SECTION 1. NAME

The name of this non-profit organization shall be the Cabin John Park Volunteer Fire Department, Incorporated (hereinafter referred to as the "Department"). The Department is a tax-exempt 501(c)3 volunteer association as provided under the Internal Revenue Code of 1986 ("Code").

SECTION 2. MISSION

The mission of the Cabin John Park Volunteer Fire Department is to preserve life, property, and the environment; to promote public safety; and to develop leaders among its volunteer members.

SECTION 3. DEFINITIONS

A. "Member in Good Standing" also referred to as a "Member" shall mean a Member of the Department who is in compliance with applicable Departmental requirements of Membership.

- B. "Membership of the Department" or "Membership" shall mean all Members in Good Standing of the Department.
- C. "Board" shall mean the Board of Directors of the Department.
- D. "Director" shall mean a Member of the Board.
- E. "Fire Chief" or "Chief" shall mean a Fire Chief of the Department.
- F. "Senior Officer" shall mean a Fire Chief, Chief or other officer in the Fire Chief's line of authority.
- G. "Operational position" shall mean a position dedicated to providing fire and rescue services.
- H. "Commission" shall mean the Montgomery County Fire and Rescue Commission. I. "Tax Funds" shall mean funds received from Montgomery County, Maryland. J. "Volunteer Funds" shall mean funds raised by the Department.

SECTION 4. CLASSES OF MEMBERSHIP

A. Classes of Membership. The Department shall have the following eight (8) classes of Membership, which shall be open to all eligible persons without regard to race, religion, sex or national origin: Active, Probationary, Junior, Life, Administrative, Honorary, Auxiliary, and Inactive.

B. Active Membership

1. Qualifications. Active Membership shall be open to persons who meet Board prescribed service requirements.

2. Obligation. Active Members shall, insofar as is practicable: (1) attend all of the Department's regular and special meetings, (2) participate in all fund raising, public relations and public education activities as are required by the Board, and (3) Active Members shall participate in all training activities prescribed by the Board.

3. Exclusions. Career Fire Service Employees of Montgomery County, Maryland, (including without limitation personnel actively employed by the Division of Fire and Rescue Service of Montgomery County) shall be ineligible for Active Membership in the Department.

C. Probationary Membership

1. Subclasses. There shall be two (2) classes of Probationary Membership: 1) Probationary Firefighter/EMS Provider Membership and 2) Probationary EMS Provider Membership. These shall be open to applicants who meet all requirements for Active Membership, respectively, except applicable training and certification requirements.

2. Probationary Period. Probationary Members shall serve a one-year probationary period with the Department except as provided in Sect. 4.C.4 and 4.C.5 below. During the probationary period, the Probationary Member must attend all regular and special Membership meetings

as is reasonably practicable; participate in fund raising, public relations and public education activities prescribed by the Board; and, fulfill all applicable training requirements established by the Department.

3. Rights and Obligations. Probationary Members shall have the same privileges and be subject to the same obligations as Active Members, except that they shall not have the right to vote, make motions or nominations, or hold elected or appointed office with the Department.
4. Termination of Probationary Membership. The Department may terminate a Probationary Membership, with or without cause, or extend a Probationary Membership for a specified period not to exceed one additional year, which, in either case, shall require the approval of a majority of the Membership.
5. Reduction in Probationary Period. The probationary period can be reduced for Probationary Members who transfer in from service with another fire department. Any reduction in the probationary period shall require both the approval of two-thirds (2/3rds) majority of the Board and the approval of a majority of the Membership.
6. Eligibility for Active Membership. To be eligible for Active Membership or Active EMS Membership, the Probationary Member must complete all applicable training, maintain all qualifications and experience requirements as established by the Board.
7. Application to Active Membership. To qualify for Active Membership, a Probationary Member must submit to the Membership Committee a written request demonstrating satisfaction of all applicable requirements and qualifications. Each request must be approved by the Membership Committee and introduced to the Membership by motion of the Fire Chief and approved by a majority of the Membership.

D. Junior Membership

1. Qualifications. There shall be two classes of Junior Membership: 1) Junior Firefighter/EMS Provider and 2) Junior EMS Provider. Junior Membership shall be open to persons between the ages of sixteen (16) and eighteen (18) years of age, inclusive, who have submitted a written application (herein referred to as "Application") on a form prescribed by the Board. The Application shall be authorized and shall contain permission, in writing, of the applicant's parent or legal guardian. If required by law, State and or County work permits or

4

licenses will accompany the Application. The Board may, in its sole discretion, limit the number of Junior Members.

2. Obligations
 - a. Participation. A Junior Member shall attend all of the Department's regular and special meetings as is reasonably practicable, participate in all fund raising, public relations, and public education activities required by the Board, and participate in Board prescribed training in order to become an approved aid provider on ambulances. Junior Firefighter/EMS Members must also complete applicable training required to participate as a firefighter on a fire engine.
 - b. Presence at Department. A Junior Member may not remain at the Department later than 11 P.M. (2300 hours) on any school night except when responding on an emergency call dispatched prior to 11 P.M. A Junior Member may not be on Department property at any time when their school is open and in session. On a day that school is not open or in session, a Junior Member may not arrive at Department property before 7 a.m. (0700 hours).
3. Educational Requirements. A Junior Member must be enrolled in a full-time course of study

at an accredited school and must maintain a C average or the equivalent. A Junior Member must submit a copy of their report of grades to the Board of Directors' designee within ten (10) working days after receipt thereof. Failure to maintain the required average will result in suspension from Junior Membership until the next grading period when a new assessment shall be made.

4. Rights and Restrictions. A Junior Member may attend drills and parades, answer alarms and drive staff vehicles only on official business in a non-emergency status only when and if properly licensed by the State and County and is qualified in accordance with the rules established by the Board.
5. Application to Active Membership. A Junior Member who has served at least one (1) year in Junior Membership and has reached the age of eighteen (18) years of age shall be eligible to apply for Active Membership. The Application must be submitted in writing to the Membership Committee and must be approved by the Membership Committee, introduced to the Membership by motion of the Fire Chief and approved by a majority of the Membership. -

E. Life Membership .

1. Qualifications. Life Membership shall be open to an otherwise qualified person who: (a) has been a Member for ten (10) years or more; and (b) has L.O.S.A.P. credit in each such year of at least fifty (50) points. Life Membership can be applied retroactively to any Member who met the Life Membership qualifications.
2. Application. To qualify for Life Membership, a Member must submit to the Membership Committee a written request demonstrating satisfaction of all applicable training and qualification requirements. Each such request must be approved by the Board and by a majority of the Membership.
3. Obligations. A Life Member shall be exempt from the fund raising and meeting attendance requirements applicable to Active Members. To remain eligible to provide fire and rescue services, a Life Member must be in compliance with all applicable training and certification requirements.
4. Rights. A Life Member is eligible and entitled to vote (herein referred to as "Entitled to Vote") at Membership meetings and shall be eligible to hold elected or appointed office if

5

they attend four (4) of the previous twelve (12) Membership meetings or acquire at least 25 L.O.S.A.P points in the preceding year. The attendance and L.O.S.A.P requirements do not affect Life Member eligibility to vote for Directors. All Life Members appointed prior to December 10, 2018 are exempt from this requirement.

F. Administrative Membership

1. Qualifications. There shall be ten (10) Administrative Membership positions, which shall be open to persons who are otherwise qualified and who wish to provide administrative services to the Department on a volunteer basis.
2. Application. An application for Administrative Membership shall be made in writing in a form prescribed by the Board (herein referred to as "Application") and shall be submitted to the Membership Committee. The Application must be approved by a majority of the Membership and by the Board.
3. Obligations. Administrative Members must attend at least eight (8) regular meetings per year and actively serve on at least one Committee. Failure to meet the foregoing requirements without reasonable justification shall be grounds for disqualification from Membership. Administrative Members also shall participate in fund raising events as required by the Board.

4. Restrictions. Administrative Members shall not be required to take an entrance physical and may not participate in any operational activities of the Department.
5. Probation. Administrative Members shall serve a one (1) year probationary period, after which they may apply for written approval for removal of probationary status with the Board.
6. Rights. Administrative Members (following probation) may vote and hold any elected or appointed office of the Department but may not hold Operational Positions.

G. Auxiliary Membership

1. General. Auxiliary Membership shall be open to persons who are otherwise qualified and who wish to provide auxiliary services to the Department on a volunteer basis.
2. Application. An application for Auxiliary Membership shall be made in writing in a form prescribed by the Board and shall be submitted to the Membership Committee. The Application must be approved by a majority of the Membership and by the Board.
3. Obligations. Auxiliary Members must attend at least eight (8) regular meetings per year and actively serve on at least one Committee. Failure to meet the foregoing requirements without reasonable justification shall be grounds for loss of voting rights. Auxiliary Members also shall participate in fund raising events as required by the Board.
4. Restrictions. Auxiliary Members shall not be required to take an entrance physical and may not participate in any operational activities of the Department.
5. Probation. Auxiliary Members shall serve a one (1) year probationary period, after which they may apply for written approval for removal of probationary status with the Board.
6. Rights. Auxiliary Members (following probation) may vote and hold any elected or appointed office of the Department but may not hold Operational Positions. Auxiliary Members may choose officers specific to the auxiliary subject to approval by the President.

6

H. Honorary Membership

1. General. Honorary Membership shall be bestowed at the discretion of the Board upon persons who have rendered outstanding service to or on behalf of the Department.
2. Recommendation. Any Member with voting authority may recommend to the Board in writing any person for Honorary Membership. Such recommendation shall be presented at the next regular meeting of the Membership and shall require the approval of a two-thirds (2/3) majority vote of the Members present at this meeting.
3. Rights. Honorary Members may not vote or hold elected or appointed office with the Department.
4. Removal. An Honorary Member may be removed from the rolls by the written request of a voting Member that is approved by a two-thirds (2/3) majority of the Membership.

I. Inactive Membership

1. Qualifications. Inactive Membership shall be open to any Active Member who: (1) submits a written application (herein referred to as "Application") to the Board declaring a continuing interest in the welfare of the Department; (2) is unable to remain in compliance with the criteria for Active Membership for a twelve (12) month period; (3) intends to return to Active Membership status with the Department within five (5) years from the date of application; and (4) provides reasonable justification to the Board for the foregoing change

- to an inactive status.
2. Reinstatement to Active Membership. An Inactive Member may be reinstated to Active Membership upon approval by both the Board and the Fire Chief upon receipt and review of their written application (herein referred to as "Application") by the Board.
 3. Armed Forces. An Active Member who joins the Armed Forces of the United States for one tour of duty not to exceed four (4) years shall be eligible to apply for Inactive Status during military service. Upon completion of military service, the Inactive Member shall be reinstated to the last class of Membership held with the Department, if all applicable training and other requirements and qualifications are met. An Inactive Member serving in the Armed Forces, while on pass or furlough, may serve with the Department in the last class of Membership held upon the Fire Chiefs determination that all applicable training requirements are satisfied.

SECTION 5. MEMBERSHIP PROCEDURES

- A. Application. Applications for Membership in any class shall be made in writing on a form prescribed by the Board which shall be submitted to the Membership Committee (herein referred to as "Application"). The Membership Committee shall designate that class or classes of Membership for which the applicant is eligible and shall present the Application to the general Membership. Except as otherwise provided herein, all Applications may be approved only upon the affirmative vote of two-thirds (2/3) of the voting Members present and voting at any such meeting thereof. The Secretary of the Department shall update the Membership roster and record the voting eligibility of each Member quarterly.
- B. Expulsion. For good cause (including but not limited to a violation of these Bylaws or conduct prejudicial to the Department) as determined and recommended by the Board, a Member may be expelled as a Member of the Department. Expulsion shall be passed by a two-thirds (2/3) majority vote of the Membership present and eligible to vote provided that a statement of any

7

such expulsion charges shall have been mailed by registered mail to the member under charges at their last recorded address at least fifteen (15) days before any final action is taken thereon by the Department. However, a Life Membership may only be terminated by a three-fourths (3/4) majority vote of Members present and eligible to vote. A notice of the time and place where the Membership is to consider the expulsion shall accompany this statement. The member shall be given an opportunity to present a defense at the time and place mentioned in such notice. Any expelled member may appeal to the Board for reinstatement which shall make a recommendation to the Membership for a majority vote of those present and eligible to vote.

- C. Attendance at Meetings. Any voting Member (except Life and Honorary Members) who fails to attend regular Membership meetings shall notify the Secretary of the Department in writing of the reason for an excused absence before the next meeting. Failure to attend 8 of the previous 12 consecutive meetings, without reasonable excuse, will result in a loss of voting rights for monthly Department business until the member once again attends the minimum monthly meetings.
- D. Release of Rights upon Termination. Termination of Membership in the Department for any reason whatsoever, including resignation, suspension, or expulsion, shall operate as a release of the terminated Member's right, title, and interest in all of the Department's property and other assets.

SECTION 6. MEETINGS

- A. Regular Membership Meetings. The regular meeting of the Membership shall be held at the Department's headquarters, or at any other place designated by the Board, on the second Monday of each month at seven o'clock p.m. The regular meeting held in December each year shall be the Annual Meeting of the Department.
- B. Special Meetings. Special Meetings of the general Membership to consider a specific subject may be by the President, the Board, or upon the written request of at least ten (10) Members Entitled to vote at the meeting. The President shall determine the date, time, and place of all Special Meetings.
- C. Quorum. The presence of at least ten (10) Members Entitled to vote shall be necessary to constitute a quorum for the transaction of any and all business at all Membership Meetings. The presence of at least five (5) Directors Entitled to vote shall be necessary to constitute a quorum for the transaction of any and all business at all Board Meetings.
- D. Right to Vote and Participate in Meetings. Only Active, Life, Administrative, and Auxiliary Members may vote and make nominations for office. Junior, Probationary, Honorary and Inactive Members may not vote or make nominations for any office or hold any office with the Department.
- E. Voting Procedure. Each voting Member shall have one vote. Any action taken by the Membership shall be decided by majority vote of Members present at a meeting, unless some other percentage is required by law or by these Bylaws. Members may not vote by proxy. All votes shall be by hand or voice vote, except that a secret ballot shall be used if requested by any voting Member or for any election of the officers or Members of the Board.
- F. Order of Business. The order of business shall be:

8

1. Calling of the roll;
2. Proof of notice;
3. Reading of the minutes and acceptance thereof;
4. Receiving communications;
5. Reports of Officers and Committees;
6. Election of Officers and new Members;
7. Unfinished business (old business);
8. New business;
9. Treasurer's Report; and
10. Motion for adjournment

- G. Rules of Procedure. The rules of procedure at all meetings of the Board, Membership and Committees shall be governed according to Robert's Rules of Order, unless otherwise required by law or these Bylaws. Objections to any rule of procedure not being followed shall be raised at the meeting and shall be ruled on by the President or Chair of the Meeting during the Meeting in which the objection is raised. This ruling shall be conclusive and may not be appealed.
- H. Executive Session. Any meeting of the Directors, the Membership or any Committee may be held in an executive session by a vote of the majority of those present at the meeting of the Members of the Directors, the Membership or the Committee. However, any Board Member shall be allowed to attend the executive session of the Committee. However, no vote may be taken while a meeting is in executive session. Once a meeting is back into regular session, a vote may be taken.

SECTION 7. DIRECTORS

- A. Composition. The property, affairs, and activities of the Department shall be vested in the Board, which shall consist of eight (8) voting Members: the Fire Chief, President, Vice President, Treasurer, Secretary, and three (3) Members-at-large. No more than two (2) Directors (combined) of the full Board may be Administrative or Auxiliary Members. The General Counsel and the Accountant of the Department shall serve as a non-voting ex-officio Member of the Board.
- B. Qualifications. Qualifications. Only Active, Life, Administrative, and Auxiliary Members in good standing and at least 21 years old are eligible to serve as Directors.
- C. Duties of the Board. The Board will be responsible for: (1) managing the business and affairs of the Department and pursuing its non-profit goals and objectives; (2) carrying out the instructions of the Membership; (3) authorizing agents to act on behalf of the Department; (4) hiring staff to whom official duties may be delegated; and (5) devising and executing such other measures as it deems proper and expedient to promote the non-profit objectives of the Department; and (6) protecting the interests and welfare of the Members. The Board may enact rules and regulations for the conduct and duties of all personnel and shall receive and may make disbursements of Tax Funds consistent with these Bylaws. The Board may engage the services and advice of an attorney for the Department to serve as its General Counsel, a certified public accountant and/or firm to prepare and to audit the financial records and tax returns of the Department and any Other agents, servants or independent contractors as may be required in the operation of the Department and in carrying out the non-profit activities of the Department.
- D. Election of Directors and Term. The Fire Chief, President, Vice President, Secretary, and three (3) Members-at-large of the Board serve a two-year term shall be elected at the Annual Meeting in December of each odd year. Each such person shall assume their office on January 1st of each following even year and shall hold office until the next election or until their successor is duly qualified. At the regular meeting in November of each odd year, nomination may be received from the floor for candidates for all elected offices. The list of nominees may be posted, and at the Annual Meeting, additional nominations for Fire Chief, President, Vice President, Secretary, and the Board Members-at-large will be received from the floor. The Treasurer shall be elected by a majority of the Board at the first meeting of the Board after January 1st of each following even year after the installation of the newly elected Members of the Board. The Treasurer shall be a voting Member of the Board and shall serve a two (2) year term and shall hold office until the next election of Treasurer by the Board or until their successor is duly qualified.
- E. Meetings of the Board. The Board shall meet each month at such regular time and place as it shall determine. This includes teleconference capability, but teleconferencing is not permitted during executive session of the Board. Special meetings of the Board may be called by the President or by any individual Member of the Board.
- F. Quorum. A majority of the Board shall constitute a quorum for the transaction of business. Unless otherwise required by law or these Bylaws, any action taken by the Board shall be decided by a majority of the Board Members present at a meeting at which a quorum is present.
- G. Informal Meeting. Any action required or permitted by law to be taken at a Board meeting may be taken without a meeting at an Informal Meeting if an unanimous written consent setting forth the action is signed by each Board Member and filed with the minutes of proceeding.

- H. Vacancy. Any vacancy on the Board, by reason of death, resignation, removal or otherwise, shall be filled by the Board from the voting Members at the next Board meeting. The person so chosen shall hold office until a successor is chosen at the next general meeting of the Members or at a special meeting of the Members called for that purpose.
- I. Removal of Directors. A Director may be removed by a three-fourths (3/4) majority of a quorum of the remaining Board Members if, in their sole judgment, the best interest of the Department are served. The Board may immediately remove any Member who misses three (3) consecutive regular Board meetings without reasonable justification at the sole discretion of the Board.
- J. Conflict of Interest Rule. No Director may bid on any property declared surplus and put out for disposal by the Department or otherwise act on any matter that presents an actual or apparent conflict of interest.

SECTION 8. OFFICERS

- A. Generally. The Officers of the Department shall consist of a President, Vice President, Secretary, Fire Chief and Treasurer.
- B. Qualifications. Only Active, Life or Administrative Members in good standing who are over the age of twenty-one (21) shall be eligible to hold office.
- C. Duties. The duties and powers of the Officers shall be as follows.

- 10
1. President. The President shall preside at meetings of the Membership and of the Board and shall be a Member ex-officio, with right to vote, of all Committees. The President shall be responsible for assuring that all actions of the Department are in conformity with these Bylaws and applicable law. He or she may assign duties and responsibilities to Active Members with the consent of the Board and may establish such Committees and working groups and appoint such Members to each as he or she may deem appropriate. The President shall represent the Department as necessary for the purpose of advancing the Department's primary non-profit goals and objectives. The President, with the prior approval of the Board, may appoint assistant officers to assist in the administration of the Department.
 2. Vice President. The Vice President shall assist the President. In the case of the absence of the President or their inability to act, the Vice President shall perform the duties of the President.
 3. Secretary. The Secretary shall be the administrative officer of the Department; serve as Secretary of the Board; give notice of and attend all meetings of the Department and keep a record of the activities; take, prepare, and submit for approval the minutes of all meetings; conduct all correspondence and carry into execution all orders, votes, and resolutions not otherwise committed; maintain a current list of the Members of the Department; notify the officers and Members of the outcomes of the Department's elections; notify Members of their appointment on Committees; and be the keeper of the Department's seal.
 4. Fire Chief. The Fire Chief shall command the day-to-day operations of the Department and its apparatus; shall oversee all personnel matters, including performance and scheduling; and, with the concurrence of the President, may appoint such agents, assistants or other designees as they deem necessary to carry out the volunteer fire fighting activities and operations of the Department. The Chief must meet and maintain the requirements of the MCFRS IECS as a Certified Chief Officer to be eligible to serve as CJPVFD Fire Chief.

- a. Referral of Charges. The Fire Chief, or their designee, may refer charges against any Member for failing to obey orders, policies and procedures, and/or rules and regulations, and shall have the power to relieve a Member from their appointed duties and suspend Membership privileges immediately. The Board will investigate the charges and uphold or overturn the suspension. To determine whether the Member should be expelled from the Department, the matter shall then be referred to the Membership, which can expel the Member by a two-thirds majority vote.
 - b. Expenditures. The Fire Chief or a Member designated by him in writing may spend up to one thousand dollars (\$1,000) on emergency supplies or repairs that he deems ordinary and necessary in the proper operations of the Department. The Fire Chief, or their agent or designee, shall act as the Department's liaison to the Director of the Department of Fire and Rescue Services with respect to all operational matters.
5. Treasurer.
- a. Duties. The Treasurer shall be the chief financial officer of the Department and shall be responsible for all its fiscal affairs, including the general supervision of Tax Funds. The Treasurer shall ensure that Tax Funds are not co-mingled with funds received by the Department from any other source. The Treasurer shall be elected by a majority of the Board and shall serve for a term as is set forth in Section 7. C. herein.

11

- b. Statements and Reports. The Treasurer shall present to the Secretary and the Membership on a monthly basis a statement of the Department's financial condition; shall authorize all expenditures of the Department's funds otherwise allowed under these Bylaws, and; shall be responsible, with the President, for preparing the Department's budget. Within thirty (30) days after the close of each fiscal year, the Treasurer shall submit to the President an Annual Report on the Department's fiscal affairs in the preceding fiscal year. The Treasurer shall seek the direct assistance and advice from a certified public accountant and/or firm retained to audit the financial books and tax records of the Department.

SECTION 9. COMMITTEES

- A. Committees of the Department. All Committees shall be Committees of the Department.
- B. Standing Committees. The President may, at any time, appoint such Other Committees as he deems necessary to further the purposes of the Department, including a Membership Committee, and shall designate the chairman of each such Committee. A Committee appointment shall be for a term of one (1) year beginning on the first day of the first January after each Annual meeting held in December.
- C. Vacancies. Changes. or Discharge. The President shall have the power at any time to fill vacancies in, to change the Membership of, to change the Chairman of, and to discharge any Committee.

SECTION 10. RECEIPTS AND EXPENDITURES.

- A. Purpose. Money received by the Department may be expended for normal fire fighting and rescue operations and for related and incidental purposes consistent with the Department's tax exempt purpose.

- B. Procedure. A request for an expenditure must be submitted in writing to the Board by an Active, Administrative, Auxiliary, or Life Member. All expenditures must be approved in advance by the Membership, except that any expenditure Of Volunteer Funds must be approved in advance by a two-thirds (2/3) majority of the Membership. No expenditure in excess of two thousand dollars \$2,000.00 may be brought to the Membership for a vote unless it is approved first by the Board. Notice of an expenditure must be given to the Membership at least five (5) days before the time appointed for a vote thereon. The Board or the President may call a Special Meeting pursuant to these Bylaws for the consideration of an expenditure that, in the judgement of the Board or the President, requires immediate action. In the event of an expenditure previously authorized by the Membership, the Board shall be authorized to approve up to an additional one thousand dollars (\$1000) of Volunteer Funds to cover any related cost overrun on the procurement of equipment or services.
- C. Co-mingling of Tax Funds. Tax Funds may not be co-mingled with funds received by the Department from any other source.
- D. Tax Funds. All disbursements for salaries, uniforms, supplies, and equipment must conform with the limits specified in the budget.

12

SECTION 11. INDEMNIFICATION OF OFFICERS AND DIRECTORS AND EMPLOYEE OR AGENT

A. INDEMNIFICATION OF OFFICERS AND DIRECTORS

1. Indemnification. The Department shall indemnify any person who was or is a party to, or is threatened to be made a party to any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative in nature, by reason of the fact that he or she is or was a Director or an Officer, or is or was serving at the request of the Department as a Director, Officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees and costs), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit Or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Department; and, with respect to any civil action or proceeding, or criminal action or proceeding had no reasonable cause to believe their conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, shall not, of itself, create a presumption that the person did not act in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interests of the Department.
2. Indemnification Against Expenses. To the extent that a Director or Officer has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, or in defense of any claim, issue or matter therein, he or she shall be indemnified and held harmless against expenses (including attorneys' fees and costs) actually and reasonably incurred by him in connection therewith. Expenses incurred in defending a civil suit or proceeding may be paid by the Department in advance of the final disposition of such action, suit or proceeding as authorized by a majority vote by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the Director, Officer to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Department as authorized in this Section.
3. Authorization. Any indemnification provided above (unless ordered by a court) shall be made

by the Department only as authorized in the specific case upon a determination that indemnification of the Director or Officer is proper in the circumstances because he or she has met the applicable standard of conduct set forth in this Section. Such determination shall be made as follows: (1) by the Board by a majority vote of a quorum consisting of the Members of the Board who were not parties to such action, suit or proceeding; or (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directed by independent legal counsel as provided in a written opinion.

4. Exclusive Rights. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under these Bylaws, separate agreement, vote of disinterested Directors or otherwise, both as to action in their official capacity and as action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director or Officer.
5. Insurance. The Department shall purchase all insurance policies on behalf of the Department and to maintain for the Directors and Officers Errors and Omissions liability or any other insurance policy(s) on behalf of any person who is or was a Director or Officer of the

13

Department, or who is or was serving at the specific request of the Department as a Director or Officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of their status as such, whether or not the Department would have the power to indemnify him or her against such liability under the provisions Of this Article.

6. Reasonableness of Action, Belief, or Expense. The reasonableness of any action, belief or expense and determination of whether any action was taken in good faith shall be determined by the Board, in its sole discretion.

B. INDEMNIFICATION OF EMPLOYEES OR AGENTS.

1. Indemnification. The Department may, in the Board's sole discretion, indemnify any person who was or is a party to, or is threatened to be made a party to any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative in nature, by reason of the fact that he or she is or was an employee or agent, or is or was serving at the request of the Department as an employee or an agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees and costs), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Department; and, with respect to any civil action or proceeding, or criminal action or proceeding had no reasonable cause to believe their conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, shall not, of itself, create a presumption that the person did not act in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interests of the Department.
2. Indemnification Against Expenses. To the extent that an employee or an agent has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, or in defense of any claim, issue or matter therein, he or she may, in the Board's sole discretion, be indemnified and held harmless against expenses (including attorneys' fees and costs) actually and reasonably incurred by him or her in connection therewith. Expenses incurred in defending a civil or criminal suit or proceeding may be paid by the Department in advance of the final disposition of such action, suit or proceeding as authorized by a majority vote by the Board in the specific case upon receipt of an undertaking by or on behalf

of the employee or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Department as authorized in this Section.

3. Authorization. Any indemnification provided above (unless ordered by a court) may, in the Board's sole discretion, be made by the Department only as authorized in the specific case upon a determination that indemnification of the employee or the agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in this Section. Such determination shall be made as follows: (1) by the Board by a majority vote of a quorum consisting of the Members of the Board who were not parties to such action, suit or proceeding; or (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directed by independent legal counsel as provided in a written opinion.
4. Exclusive Rights. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under

14

these Bylaws, separate agreement, vote of disinterested Directors or otherwise, both as to action in their official capacity and as action in another capacity while holding such office, and shall continue as to a person who has ceased to be an employee or an agent.

5. Insurance. The Department may, in the Board's sole discretion, purchase all insurance policies on behalf of the Department and to maintain for the employee's or the agent's Errors and Omissions liability or any other insurance policy(s) on behalf of any person who is or was an employee or an agent of the Department, or who is or was serving at the specific request of the Department as an employee or an agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of their status as such, whether or not the Department would have the power to indemnify him or her against such liability under the provisions of this Article.
6. Reasonableness of Action, Belief or Expense. The reasonableness of any action, belief or expense and determination of whether any action was taken in good faith shall be determined by the Board, in its sole discretion.

SECTION 12. FISCAL YEAR

The fiscal year shall be from July 1 to June 30 of the following year.

SECTION 13. ACCEPTANCE OF BYLAWS

In consideration of the privileges and benefits of Membership in the Department, each Member of the Department agrees to voluntarily comply with all the terms of these Bylaws, as amended from time to time. When Members join the Department, they will be instructed how to access and download the Bylaws and pending or proposed amendments.

SECTION 14. AMENDMENTS TO BYLAWS

These Bylaws from time to time may be amended at any regular meeting of the Department, provided any proposed amendments be submitted in writing to the Secretary, read out, and discussed at the first two (2) regular meetings after submission to the Secretary, at which time amendments may be adopted by a two-thirds (2/3) vote of the voting Members present and Entitled to vote. Any

amendment having once been defeated shall not be brought before the Department for a period of at least six (6) months. All Active and Life Members shall be notified in writing of the first meeting at which an amendment to the Bylaws is to be discussed.

SECTION 15. DISSOLUTION

If the Department should be dissolved, no Member will receive any portion of its remaining assets or property; upon dissolution, the balance of any assets or property of the Department which remains after all debits or obligations are paid will be distributed to any other nonprofit corporation which has been determined by the Internal Revenue Service to be exempt from Federal income taxes.