

CONSTITUTION AND BYLAWS
OF
THE ASSOCIATED GENERAL CONTRACTORS
OF SOUTHEAST TEXAS
Update approved 8/19/15 by Board

CONSTITUTION

PREAMBLE

The purpose of this Chapter is to improve business conditions in the construction industry by working towards these goals:

To encourage a healthy construction climate for both Collective Bargaining and Open Shop contractors to the end that all General Contractors and Subcontractors will be able to provide the best work possible at the lowest cost possible, thus furthering the growth of the area and providing full employment for all who have the desire and ability to work.

To act as bargaining agent for those contractors who assign their bargaining rights to the Chapter; conduct negotiations to establish the collective bargaining agreements of the area, assure that proper interpretations of those agreements are made, handle jobsite labor disputes, and be the spokesman for the contractors in all labor relations matters.

To be the voice of the construction industry, to be a part of the leadership of the community, and to be involved in community planning.

To make membership a reasonable assurance to the public of Skill, Responsibility and Integrity by requiring that those admitted to membership will have established an honorable reputation in these three areas.

To inform and alert the construction community of all local, state and national legislative or administrative matters affecting the industry.

To promote construction markets and the i) multiple delivery contract system or ii) multiple delivery system or iii) contract system.

To advance the contract method of construction under fair bidding procedures.

To promote safe construction operations for the protection of workers, property and general public.

To conduct manpower recruiting and training programs to ensure an adequate labor force for an expanding industry and to make available educational programs for all construction personnel from entry level to top management.

To foster cordial and cooperative relations between all segments of the construction industry.

To promote an honorable and ethical code of conduct for the construction industry.

ARTICLE I

Name

The name of this Association will be the Associated General Contractors of Southeast Texas, Inc.

ARTICLE II

Territory

The territory of this Chapter, as designated by the Associated General Contractors of America, Inc., Washington, D.C., is comprised of Jefferson, Orange, Hardin, half of Liberty County (east of the Trinity River), Jasper, Tyler and Newton Counties.

ARTICLE III

National Association

This association is a chapter of the Associated General Contractors of America, Inc. and recognizes there are certain chapter obligations contained in A.G.C. governing provisions.

ARTICLE IV

Membership

1. Only General Contractors, either individuals, firms or corporations, who have been engaged for at least two years in General Contracting prior to applying for membership in this Chapter, and who have established a reputation for Skill, Responsibility and Integrity will be eligible for General Contractor membership. In case of new organizations, at least one of the active officers of the organization must have these qualifications. They must also contract for work in its entirety, performing at least part of the work with their own forces.

1a. General Contractors, either individuals, partnerships or corporations, which have not met the two year experience requirement for General Contractor membership may, by approval of the Board, be granted Provisional Membership or Associate Membership until such General Contractor

has fulfilled the two-year experience requirement, at which time a General Contractor may request General Contractor membership.

Provisional Membership or Associate Membership may also be granted at the discretion of the Board, to General Contractors which have two years' experience but, which in the opinion of the Board, will profit from a period of transition to acquire a better understanding of the aims and objectives of the Associated General Contractors of America. Such Provisional Membership shall not exceed two years, at which time such a General Contractor may request General Contractor membership.

Provisional members are entitled to use the emblem, to receive National AGC publications and to receive other services the National and the Southeast Texas Chapter may offer, but may not vote or hold office.

Provisional members shall pay General Contractors dues as set forth in Article VIII of the Constitution.

2. An Associate member will be either a person, business entity or corporation engaged in the capacity of subcontractor, specialty contractor or manufacturer, or in the furnishing of material supplies, insurance, bonds, or equipment for the construction or maintenance of buildings, or any person, business entity or corporation rendering a service in the development of the construction industry or deriving a benefit there from. An Associate Membership will entitle the holder to be represented by one person on the floor at each membership meeting and will entitle such a representative to vote on matters affecting the Associate Membership.

ARTICLE V

Administration

1. The affairs and management of the Chapter will be conducted by a Board of Directors (hereinafter called the Board), subject to this Constitution and Bylaws. The acts of the Board will be subject to review by the General Contractor Membership upon written request to the Executive Director by any three General Contractor members, and at the first regular meeting thereafter may be rescinded by a two-thirds vote of the total General Contractor Membership.

2. The Board will consist of ten elected Directors to serve for staggered two year terms. The ten elected Directors will be comprised of six General Contractor Board Members and four Subcontractor Board Members. Each Director will serve a two year term. In the event of a vacancy, the President will have the power to appoint successor Directors from the respective membership in order to complete the remaining year of each vacant Director. At the next available election, a new Director will be elected to finish the remaining term of that Director which may be only a one year term.

2a. In the event the Southeast Texas Chapter is the home chapter of any member elected as a National AGC director, such member automatically will be a member of the Chapter Board for as long as he/she is an elected or life National AGC director in order for the Chapter to more effectively

coordinate its activities with the National AGC and express its views to the National AGC Board of Directors.

2b. In order to recognize outstanding service to the Chapter as past President and a strong interest to be active in the Board, the Elected Board is authorized to appoint to the Board, for a one-year term, the immediate past President who will serve in capacity as ex-officio board member. The past President may be reappointed at the pleasure of the current Board.

3. The officers of the Chapter will be a President, a Vice-President, a Secretary, a Treasurer and an Executive Director. (No person will be eligible to serve as an officer of the Chapter, except the Executive Director, unless such person is a member of the Board of Directors during the term of his office.) The office of the President must be filled by a General Contractor member. In the event of the death, resignation or incapacity of the President to complete the term, the Vice President will complete the term of the President. If the Vice President is not a General Contractor member, then the Board shall conduct an election as soon as possible to fill the position of President.

4. The Board membership may be compensated in a method agreed upon by the Board.

5. The President will have the power to call a meeting of the Board at such times as he/she shall deem necessary, or any two members of the Board may call meeting of the Board through the President.

6. The Executive Director will be hired by a majority vote of the Board. The Executive Director's performance will be appraised in December of each year and provided that such performance has been acceptable to the Board, he/she will continue in employment. In the event that performance is not acceptable, then, by a majority vote of the Board, employment of the Executive Director may be terminated. The President would then assume the duties of Executive Director until such time as a replacement is hired.

7. The location of the General Offices of the Chapter will be Beaumont, Texas.

8. All disbursements of the Chapter will be made as hereinafter set out.

ARTICLE VI

Elections

1. The Board will consist of:

- a) Six elected General Contractor members;
- b) Four elected Associate Members
- c) Any National AGC Director member from Southeast Texas AGC as set out in Article V, par. 2a above;

d) The president of the Board shall be elected by the members of the newly elected Board and shall be selected from one of the six General Contractor members.

2. At the October meeting each year, the President will appoint a Nominating Committee consisting of at least three members, each in good standing and approved by the Board of Directors. The Nominating Committee will nominate at least one candidate from the respective membership to fill each Board position up for election. The Nominating Committee will furnish the President the list of nominees prior to the November Board Meeting.

Each Board Position will be elected for a two year period as follows:

- Position #1 General Contractor – elected in even number years
- Position #2 General Contractor – elected in even number years
- Position #3 General Contractor – elected in even number years
- Position #4 Specialty Contractor – elected in even number years
- Position #5 Specialty Contractor – elected in even number years
- Position #6 General Contractor – elected in odd number years
- Position #7 General Contractor – elected in odd number years
- Position #8 General Contractor – elected in odd number years
- Position #9 Specialty Contractor – elected in odd number years
- Position #10 Specialty Contractor – elected in odd number years

3. As soon as practicable after the President has received the nominations from the Nominating Committee, the President will certify a list of such nominees, along with the date of the Annual Meeting which will be held the first week in December. The President will conduct the election.

4. Prior to January 1 the Board will install the elected officers for the succeeding year, the terms of such officers to begin January 1.

5. Any member of the Board who, by reason of health or other reasons cannot actively serve on the Board, or who absents themselves for more than one Board Meeting per quarter or two consecutive regularly scheduled Board Meeting per year, will be deemed to have resigned from the Board, unless, the remaining members of the Board waive such resignation. In the event this occurs the provisions of Article V paragraph 2 shall apply.

6. No person will be eligible to be nominated as a Director, to serve on any committee, or to vote on any matter who is not in good standing.

ARTICLE VII

Indemnification

When Indemnification is Required, Permitted and Prohibited

(a) The Chapter will indemnify a director, officer, member, committee member, employee, or agent of the Chapter who was, is, or may be named defendant or respondent in any proceeding, civil or criminal, as a result of his or her good faith actions or omissions within the scope of his or her official capacity in the Chapter. For the purposes of this article, an agent includes one who is or was serving at the Chapter's request as a director, officer, partner, venture, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee-benefit plan, or other enterprise.

(b) The Chapter will indemnify a person only if that person acted in good faith and reasonably believed that his or her conduct was in the Chapter's best interests. In case of a criminal proceeding, the person may be indemnified only if he/she or she had no reasonable cause to believe that the conduct was unlawful. The Chapter will not indemnify a person who is found liable to the Chapter or is found liable to another on the basis of improperly receiving a personal benefit from the Chapter. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted. Termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Chapter.

(c) The Chapter will pay or reimburse expenses incurred by a director, officer, member, committee member, employee, or agent of the Chapter in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Chapter when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Chapter may indemnify a director, officer, member, committee member, employee, or agent of the Chapter to the extent permitted by law. However, the Chapter will not indemnify any person in any situation in which indemnification is prohibited by paragraph (a) above.

(e) The Chapter may advance expenses incurred or to be incurred in the defense of a proceeding to a person who might eventually be entitled to indemnification, even though there has been no final disposition of the proceeding. Advancement of expenses may occur only when the procedural conditions specified in paragraph (Procedures Relating to Indemnification Payments) (c), below, have been satisfied. Furthermore, the Chapter will never advance expenses to a person before final disposition of a proceeding if the person is a named defendant or respondent in a proceeding brought by the Chapter or one or more members or if the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

Extent and Nature of Indemnity

The indemnity permitted under these Bylaws includes indemnity against judgments, penalties, (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorney's

fees) actually incurred in connection with the proceeding. If the proceeding was brought by or on behalf of the Chapter, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

Procedures Relating to Indemnification Payments

(a) Before the Chapter may pay any indemnification expenses (including attorney's fees), the Chapter must specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in subparagraph (c), below. The Chapter may make these determinations and decisions by any one of the following procedures:

- (a) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.
- (b) If such a quorum cannot be obtained, by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding.
- (c) Determination by special legal counsel selected by the Board by the same vote as provided in subparagraphs (a) or (b) above, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.
- (d) Majority vote of members, excluding directors or other members who are named defendants or respondents in the proceeding.

(b) The Chapter will authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If special legal counsel determines that indemnification is permissible, authorization of indemnification and determination of reasonableness of expenses will be made as specified by subparagraph (a)(c) above, governing selection of special legal counsel.

(c) The Chapter will advance expenses before final disposition of a proceeding only after it determines that the facts then known would not preclude indemnification. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment will be made in the same manner as a determination that indemnification is permissible under subparagraph (a) above.

In addition to this determination, the Chapter may advance expenses only after it receives a written affirmation and undertaking from the person to receive the advance. The person's written affirmation will state that he/she or she has met the standard of conduct necessary for indemnification under these Bylaws. The written undertaking will provide for repayment of the amounts advanced by the Chapter if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking will be an unlimited general obligation of the person, but it need not be secured and may be accepted without reference to financial ability to repay.

(d) Any indemnification or advance of expenses will be reported in writing to the Chapter's members. The report will be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report will be sent within the 12-month period immediately following the date of the indemnification or advance.

ARTICLE VIII

Dues

1. The dues of this Chapter will be based and assessed as provided by the Dues Attachment, approved by the Board of Directors.
2. A schedule for job fees and assessments will be provided and amended from time to time by the Board of Directors.
3. Dues will be paid to the National Association as assessed by the National Office.

BYLAWS

ARTICLE I

Membership

1. An individual, business entity or corporation will be treated as an individual General Contractor member and will appoint a representative to cast its vote for the election of Directors or any other matter. All General Contractor members other than Honorary Members will be admitted to the Chapter only by a majority vote of the Board.

2. Applications for membership will be submitted by the applicants to the Executive Director who will notify the Board of the name, address and nature of the business of the applicant for General Contractor membership. The Executive Director will notify the Board of the name, address and nature of the business of each applicant for Associate membership.

3. Each application for admission to the Chapter as General Contractor member will contain a concise statement of the applicant's recent construction work and the personal experience of the executive managers of the firm or corporation. The application form used by the National Association along with any Southeast Texas Chapter supplement, will be used and each such application will be signed by the applicant after he/she has filled in all information requested. Accompanying each application will be the pro rata portion of the annual dues. It will be the duty of the Board to establish the authenticity of the information given in the application for General Contractor membership, particularly as it relates to the Skill, Responsibility and Integrity of the applicant. The Board may delegate to the Chapter staff the responsibility for collection of such data as may be necessary for processing the application.

4. Each applicant for admission to the Chapter as an Associate member will fill in all information requested on the application form. Prior to the next regular meeting of the membership, any applications for membership on hand will be submitted by the Executive Director to the Board. It will be the duty of the Board to investigate each applicant and make recommendations for acceptance or rejection of each applicant. The Board may delegate to the Chapter staff the collection of such data as may be necessary for processing the application. Each application for Associate membership will be accompanied by dues for the first year or a minimum of six months from date of application, established in accordance with the schedule set forth under Article VI of these Bylaws.

5. Applicants for General Contractor's membership will be elected by the Board at any regular meeting. Applicants for Associate Membership will be elected by the Board at any regular meeting.

6. No application for General Contractor membership will be received unless the individual, or in case of a firm or corporation, the executive manager, or at least one of the active officers, has carried on business in which the applicant is then engaged for at least two years, except when at least one of the active officers or executive managers of a new firm or corporation has had at least two years' experience previous to entering the new firm or corporation.

7. All applicants elected will be duly notified by the Executive Director and will subscribe to the Constitution and Bylaws and pay their dues, job fees and assessments. A copy of the Constitution and Bylaws will accompany each notice of acceptance.

8. In case an individual, firm or corporation elected to membership makes a change in the business title, firm name, or conducts of business, and if assurance satisfactory to the Board can be given that a change which would affect the membership of the firm has not taken place, then the name will be changed on the records of the Chapter without affecting the standing of the member.

9. In order to continue membership in the Chapter, a member must be actively engaged in the general contracting business. If a member firm ceases to operate because of the retirement of the principals or if a member firm changes its line of business or otherwise discontinues operating in the name of the corporate membership and fails to submit its resignation to the chapter, the Board may act to terminate membership.

10. Any member may be suspended if the firm, its principals or officers, obtains contract work by illegal or improper means or performs construction work of a quality or in a manner that would bring embarrassment or discredit the industry. The Board may impose reasonable sanctions on a member, or suspend or expel a member from the Chapter, for good cause. Any member so charged will have the opportunity to answer the charge in writing. Both the charge and the answer will be submitted to the Board who will vote on the suspension or expulsion of the member. A majority vote of the entire Board will be necessary to suspend or expel a member. If the accused member appeals from the decision of the Board, the Board's action in connection with any General Contractor Member may be nullified by a majority vote of the General Contractor members, and its action in connection with any Associate members may be nullified by a majority vote of the entire membership.

11. Should any member and/or representative be expelled from the Chapter, that member and/or representative will not again be entitled to apply for membership unless the Board decides that extenuating circumstances and the subsequent record favor application for readmission.

12. General Contractor members may use the copyrighted AGC emblem on their stationery, office doors, advertising or signs.

13. Any member, General Contractor or Associate may withdraw from the Chapter by submitting to the Executive Director a written resignation accompanied by a remittance in full of all dues to date.

14. Any member, General Contractor or Associate, whose dues, job fees and/or assessments are in arrears for more than ninety days, may be suspended from membership. The Board may, at its discretion, reinstate such a member upon payment of all past-due accounts.

15. An Associate member will be either a person, business entity or corporation engaged in the capacity of a subcontractor or manufacturer, or in the furnishing of materials, supplies, insurance, bonds or equipment in connection with the construction or maintenance of building, or any person,

business entity or corporation rendering a service in the development of the construction industry or deriving a benefit there from.

16. An Honorary membership may be conferred upon any qualified individual who will be selected by a majority of the Board present at any regular meeting.

17. Membership in the Chapter, whether General Contractor, Associate or Honorary, will not be transferable.

ARTICLE II

Administration

1. The Board will have full direction of all affairs of the Chapter except as they may be limited by the Constitution and these Bylaws. It will make a report annually to Chapter.

2. A quorum for the transaction of business by the Chapter and/or the Board will be a majority of the Board of Directors.

3. The President will appoint such standing and special committees, as he/she deems necessary and will determine the number of persons upon each committee. The President will also designate the chairman of each committee.

4. The appointment of all committees and their chairmen will be subject to review and approval of the Board.

5. The Board may make rules necessary for its own government, its employees, and for the Chapter, provided they do not conflict with the Constitution and Bylaws.

6. The President will be the executive officer of the Chapter and will see that the Constitution, Bylaws and orders of the Chapter are carried out and enforced. He/She will perform the duties incident and usual to the office, always having in mind the general welfare and usefulness of the Chapter. He/She will be an ex officio member of all standing and special committees.

7. The Executive Director will receive all dues, fees, contributions and other receipts paid to the Chapter and shall deposit them in the name of the Chapter. The Executive Director will carefully account for all transactions of his office and make a full report of the same at the Annual Meeting or at any time required by the Board. All accounts will be reviewed annually as may be directed by the Board of Directors. Such officers and employees of the Chapter, as the Board may designate, may be bonded.

8. The Executive Director will perform the duties incident and usual to that office. The Executive Director may delegate any of these duties to an assistant with the approval of the Board.

9. The Executive Director will be subject to the instructions of the Board. The Executive Director will perform the routine duties of all officers including those of the Secretary and Treasurer. The Executive Director will be present at all meetings of the Chapter, of the Board and of all standing and special committees, but without vote. The Executive Director will keep a record of all proceedings, reporting them to the Chapter either verbally or in writing as the Board may direct.

10. The Executive Director will receive instructions from either the President or a majority of the Board and will get approval before acting upon any major business affairs of the Chapter.

11. The Executive Director will have the authority to purchase necessary stationery, stamps, office supplies and similar items. Major expenses and disbursements beyond the routine business will receive approval of the Board as well as any expenses that are over \$1,000.00. The Executive Director will manage the offices of the Chapter and be in charge of all employees of the Chapter and will be responsible therefore to the President or the Board.

12. All funds of the Chapter will be deposited in financial institutions selected by the Board and will be withdrawn over the signature of any two Board members, or any other Board designated member.

ARTICLE III

THE NOMINATION OF OFFICERS

The Nominating Committee will be appointed as provided in Article VI of the Constitution and will be representative of the different activities of the General Contractor and Associate members. Officers and Directors will be elected as provided in the Constitution.

ARTICLE IV

COMMITTEES

Committees will be appointed at any time that the President, the Board or the majority of the members at any regular meeting deem it necessary. The Chapter may have standing committees and special committees.

ARTICLE V

LABOR POLICY

The policy of the Chapter is to preserve each contractor's right to determine its own labor policy. Members who choose to work under collective bargaining contracts may have separate contracts with the trades or they may assign their bargaining rights to the Chapter and work under contracts negotiated by the Labor Committee. No change will be made by any member in any agreement negotiated by the Chapter Labor Committee during the life of the agreement until the proposed change has been submitted to and approved by the Labor Committee.

ARTICLE VI

DUES

1. Dues will be assessed as per the Constitution Article VIII Paragraph 1.

2. In order to prevent the accumulation of funds in excess of the Chapter's immediate and expected requirements, the Board will be authorized to make reductions in dues payable by members. More than one reduction in dues may be authorized during any fiscal year but no reduction in dues will be authorized with respect to a General Contractor member, which applies to dues other than for the calendar year next following the fiscal year in which a reduction is authorized. A reduction in dues will be made on a percentage basis and shall be applicable to and be the same for all classes of members. The amount of any reduction will be treated as a credit against the further payment of dues and no member will be entitled to receive a refund of any dues paid as a consequence of any reduction, which may be authorized hereunder.

3. Projects that qualify as a General Contractor Project meet one or more of the following criteria:

- 50% or more of the proposing contractors are registered as General Contractors with Association of General Contractors
- Project requires contractor to manage 3 (three) or more UCI Divisions that the contractor is not registered in
- The contractor self-performs or performs through subcontracts less than 65% of the overall contract value in the UCI Divisions the Contractor is registered in
- Members who are not registered as a General Contractor and currently not paying General Contractor dues who perform Projects that qualify as a "General Contractor Project" will be billed the Job Fees for that Project. If Member fails to pay job fees or fails to join as a General Contractor, Board of Directors may take action as set forth in Article 1.

ARTICLE VII

DISSOLUTION

No part of the earning or property of the Chapter shall ever inure to the benefit of any member of the Chapter and no member will ever have any right or claim to any of the Chapter's earnings or property by reason of such membership.

In the event of the dissolution of the Chapter, the properties and assets will be distributed to an organization which is exempt from federal income tax, which is situated in and created under the laws of the State of Texas and whose purpose, in the opinion of a majority of the directors of the Chapter, would best further the interest of the construction industry in the Chapter's territory.

ARTICLE VIII
AMENDMENTS

The Constitution and Bylaws of the Chapter may each be amended by a majority vote of the Board of Directors.

ARTICLE IX
CODE OF CONDUCT AND ETHICS

The membership will be responsible for adopting and following the Code of Conduct and Ethics as approved and made a part of these By-Laws by attachment.