

**BYLAWS OF HEATING, AIRCONDITIONING & REFRIGERATION  
DISTRIBUTORS INTERNATIONAL**

**ARTICLE I  
NAME**

The name of the Association is Heating, Airconditioning & Refrigeration Distributors International (“Association”). The Association was formed by the consolidation of the Air-conditioning & Refrigeration Wholesalers International (“ARWI”) and the Northamerican Heating, Refrigeration & Airconditioning Wholesalers (“NHRAW”).

**ARTICLE II  
PURPOSES AND POWERS**

**Section 1. Purposes.** The purposes of the Association are:

- (a) to promote the interests of the wholesale heating, refrigeration and air conditioning industry by undertaking such programs, services and activities as are lawful and consistent with this Article,
- (b) to improve the business conditions and efficiency of the wholesale heating, refrigeration and airconditioning industry,
- (c) to secure cooperative action and communication among its members in advancing the common purposes and objectives of its members,
- (d) to collect and disseminate information to enable the members to conduct their business with greater economy, efficiency and profitability,
- (e) to advance the education of the industry at all levels of distribution to attain a higher standard of efficiency to better serve the consuming public,
- (f) to inform its members of legislation and requirements of law applicable to their business and to encourage and promote reasonable laws, code standards and regulations applicable to their business, and
- (g) to promote a better understanding between the heating, refrigeration and air conditioning wholesaler and others in the industry’s supply chain.

**Section 2. Powers.** The Association shall have such powers as are now or may be granted by the Ohio Nonprofit Corporation Law.

## ARTICLE III OFFICES

The principal office of the Association shall be located in Columbus, County of Franklin, State of Ohio, or any other location approved by the Board of Directors. The Association may have such other offices within or without the State of Ohio as the Board of Directors may from time to time authorize.

## ARTICLE IV MEMBERSHIP

### Article IV

#### Section 1

**Wholesaler Members.** Any person, firm, or corporation is eligible to become a Wholesaler Member if the applicant:

- (a) qualifies as a Wholesaler, Plan and Spec Distributor, Corporate Wholesaler or Integrated Wholesale Distributor, or Master Distributor as those terms are defined below, and
- (b) does not engage in the service or contracting of heating, refrigeration or air conditioning equipment, and
- (c) has completed and can verify completion of a minimum of one year in business.

**Wholesaler** is any wholesaler of heating, refrigeration, airconditioning or sheet metal equipment, products and accessories, having an established place of business in North America (U.S., U.S. Territory and Canada), who takes title to the products it handles, carries an adequate stock, assumes credit risks, has a working counter with technical support, sells to dealer-contractors for resale and does not have an interest in a HVACR retail establishment adjacent to, or a financial integrated part of, its wholesale business.

Subsidiaries and branches of Wholesale membership must share the same business name as their headquarters' location to be listed in the association

**Plan and Spec Distributor** is any engineered products distributor that takes title to products with assigned distribution rights, whose primary business focus is the specification, take-off, bidding, sales, procurement and supply of HVACR equipment, parts and/or accessories, and whose services shall be directed to commercial, institutional, industrial and contractor accounts and specifically excluding retail sales. Subsidiaries and branches of Plan and Spec Distributor membership must share the same business name as their headquarters' location to be listed in the association

**Corporate Wholesaler** is any corporate entity involved in the wholesale distribution of HVACR equipment, parts and/or accessories which operates and/or defines the business practice of subsidiary wholesale distribution companies. Subsidiaries of Corporate Wholesaler may be listed in the association with different business names.

**Integrated Wholesale Distributor** is any wholesale distribution business for HVACR equipment, parts and/or accessories that operates as a subsidiary of a non-wholesaling incorporated business entity such as a manufacturer, mass merchandiser, entity, energy provider, consolidator or e-commerce business, and whose corporate parent maintains Associate Membership in the Association. Subsidiaries of Integrated Wholesalers may be listed in the association with different business names.

**Wholesaler/Master Distributor** is any wholesale distribution business for HVACR equipment, parts and/or accessories that has an arrangement under which a manufacturer grants a distributor the right to appoint sub-distributors within a specific geographical trade area. More than 50% of a Wholesaler/Master Distributor's sales are to other distributors within the channel distribution model. The Wholesaler/Master Distributors main role is to grow product offerings and establish an online presence as the HVACR industry continuously evolves.

**Section 2. Supplier Members.** Any person, firm or corporation is eligible to become a Supplier Member if the applicant:

- (a) qualifies as a Supplier or a Manufacturer Representative, as those terms are defined below, and
- (b) has completed and can verify completion of a minimum of one year in business.

*Supplier* is any manufacturer of HVACR equipment, parts and/or accessories which sells to wholesalers.

*Manufacturer Representative* is any person, firm or corporation who handles HVACR equipment parts and/or accessories and who sells to wholesalers.

**Section 3. Associate Trade Service Members.** Any person, firm or corporation is eligible to become an Associate Trade Service Member if the applicant:

- (a) qualifies as a Service Vendor or a Marketing/Purchasing Cooperative, as those terms are defined below, and
- (b) has completed and can verify completion of a minimum of one year in business.

*Service Vendor* is any business entity which sells or provides, or seeks to sell or provide, business products or services to businesses which qualify as Wholesaler Members.

*Marketing/Purchasing Cooperative* is any business entity formed by independently owned wholesaler distributors of HVACR equipment, parts and/or supplies for the purpose of achieving greater buying power among vendors and suppliers, and offering members such services as cost rebates, special marketing and purchasing programs, and centralized business operations and benefits.

**Section 4. International Wholesaler Members.** Any person, firm or corporation is eligible to become an International Wholesaler Member if the Applicant:

- (a) would qualify as a Wholesaler Member as specified in Section 1 of this Article, except that the applicant (i) does not have an established place of business in North America, and (ii) may have an interest in a HVACR retail establishment adjacent to, or a financial integrated part of, its wholesales business, and
- (b) does not sell or supply directly or indirectly, HVACR equipment, parts and/or supplies to customers in North America, and
- (c) has completed and can verify completion of a minimum of one year in business.

**Section 5. Affiliate Members.** Any firm or corporation is eligible to become an Affiliate Member if the applicant:

- (d) does not qualify for any other category of membership, and
- (e) qualifies as an Affiliate, as those terms are defined below, and
- (f) has a signed Use of Terms agreement with HARDI on file, and
- (g) has completed and can verify completion of a minimum of one year in business.

*Affiliate* is any business entity which fails to meet the requirements of any other HARDI membership category and wishes to have access to HARDI's market and benchmarking reports and resources as specified by the Board. A requirement of membership is a signed Terms of Use agreement not to share HARDI reports or data with entities outside the employ of the firm or corporation without express written permission from HARDI. Failure to comply with this requirement may result in immediate expulsion from the membership and appropriate legal action. Affiliate members will be eligible to register for HARDI meetings and events, but will not be eligible for access to HARDI's membership directory or any such listing, including contact information of any HARDI members without said members' written or verbal consent.

**Section 6. Energy Efficiency Partner Members.** Any firm or corporation is eligible to become an Energy Efficiency Partner Member if the applicant:

- (a) does not qualify for any other category of membership, and
- (b) qualifies as one of the two Energy Efficiency Partner categories, as those terms are defined below, and
- (c) has a signed Use of Terms agreement with HARDI on file, and
- (d) has completed and can verify completion of a minimum of one year in business.

*Energy Efficiency Partner* is any business entity which fails to meet the requirements of any other HARDI membership category and is either a) a utility or government agency or b) an energy efficiency contractor or consultant. Affiliate members will be eligible to register for HARDI meetings and events but will not be eligible for access to HARDI's membership directory or any such listing, including contact information of any HARDI members without said members' written or verbal consent. Energy Efficiency Partner Members will not have access to HARDI market or benchmarking reports as a benefit of this membership but may purchase or subscribe separately to said reports.

**Section 7. Retired Colleague Members.** Any retired person is eligible to become a Retired Colleague Member and remain engaged and involved in the work of the association if the Applicant:

- (a) is a fully retired individual of a HARDI member company with no present or future involvement in the operations or governance of any HVACR company or service provider to HVACR companies.

Benefits of the membership shall include access to the general HARDI information flow, social networking sites and other standard member services. Retired Colleague Members are entitled to a special dues rate and access to HARDI meetings and events at a reduced registration cost.

**Section 8. Voting Rights and Privileges.** Wholesaler Members in good standing shall have the right to one vote and to all other rights and privileges of membership. The following

categories shall have no voting rights, and their representatives shall not be eligible for election as Officers or as Directors: Supplier Members, Associate Trade Service Members, International Wholesaler Members, Affiliated Partners, Energy Efficiency Partners and Retired Colleague Members. No member shall have any proprietary interest in the property of the Association.

**Section 9. Application for Membership.** All applications for membership shall be made using forms supplied by the Association. Completed applications shall be submitted to the Board of Directors for consideration. Upon approval by the Board of Directors, the applicant shall become a member.

**Section 10. Resignation.** Any member may submit a resignation in writing to the Association, and such resignation shall be effective upon its acceptance by the Board of Directors, but such resignation shall not relieve the obligation to pay any dues accrued and unpaid, and any assessments theretofore levied and unpaid, or to pay any obligations to the Association which arose out of acts of the Association performed prior to acceptance of the resignation.

**Section 11. Termination.** Membership in the Association shall cease and terminate in the event that a member ceases to meet the criteria for membership applicable to that member's membership category.

**Section 12. Expulsion.** Any member who shall have made a false statement in the application for membership, or whose conduct shall have been found by the Board of Directors to be prejudicial to the welfare, interest or character of the Association, may be censured, suspended or expelled from membership by the Board of Directors, provided, however:

- (a) that formal charges drafted by a committee which shall be appointed by the President for that purpose, stating the charges in detail and the grounds for the same, shall have been presented by the Board of Directors at least thirty (30) days before such action is taken;
- (b) that there shall have been delivered to the member under charges, at his address appearing on the books of the Association, a statement of the charges at least thirty (30) days before final action thereupon is taken; this statement shall be accompanied by a notice of the date, time and place when and where the Board of Directors is to take action; and
- (c) that the said member shall have been given an opportunity to present any defense at the time and place stated in the notice.

No member of the Board of Directors shall have the right to be present or to vote on the question of such member's censure, suspension, expulsion or resignation. In such case the question of quorum shall be determined as though the Board of Directors consisted of one less than the number of directors then in office.

## **ARTICLE V MEETING OF MEMBERS**

**Section 1. Annual Meeting.** The annual meeting of the members, for the election of Directors and Officers, the consideration of reports, and the transaction of such other matters as may properly be brought before such meeting, shall be held at a time and place designated by the

Board of Directors. Upon due notice there may also be considered and acted upon at the annual meeting any matter which could properly be considered and acted upon at a special meeting.

**Section 2. Special Meeting.** Special meetings of the members may be held on any business day when called by the President, the Board of Directors or upon the written request of at least twenty (20) Wholesaler Members.

**Section 3. Place of Meetings.** Any meeting of members may be held at such place as may be designated by the Board of Directors in the Notice of said meeting.

**Section 4. Notice of Meeting.** Written notice of the time and place, and in case of a special meeting, the purpose or purposes for which the meeting is called shall be given to each member not less than ten (10) days nor more than sixty (60) days before the date fixed for the meeting and as prescribed by law. Such notice shall be sent to each member, and shall be directed to the member at his respective address as it appears upon the records of the Association, and notice, if mailed, shall be deemed to have been given on the day so mailed.

If any meeting is adjourned to another time or place, no notice as to such adjourned meeting need be given other than by announcement at the meeting at which an adjournment is taken. No business shall be transacted at any such adjourned meeting except as might have been lawfully transacted at the meeting at which such adjournment was taken. Notice of any meeting may be waived in writing by any member either before or after any meeting of members, or by attendance at such meeting without protest prior to the commencement thereof.

**Section 5. Proxies.** A person is entitled to attend a meeting of members, to vote thereat, or to execute consents, waivers or releases, may be represented at such meeting to vote thereat, and execute consents, waiver or release, and exercise any of its rights, by proxy or proxies appointed by a writing signed by such person, or by its duly authorized attorney.

**Section 6. Quorum.** Ten percent (10%) of the Wholesaler Members in good standing, present in person or by proxy, shall constitute a quorum at any meeting of members of the Association, provided that if a quorum is not present at any meeting, a majority of the Wholesaler Members present may adjourn the meeting from time to time without further notice.

**Section 7. Voting.** Voting shall be via voice unless a roll call is demanded by ten (10) Wholesaler Members. Each Wholesaler Member company shall be entitled to one (1) vote, and a majority vote of the Wholesaler Members present shall prevail, unless a greater proportion is required by law or the bylaws.

**Section 8. Order of Business.** The order of business at all meetings of members shall be as determined by the Board of Directors from time to time.

**Section 9. Conduct of Meetings.** The rules contained in the latest edition of Roberts' Rules of Order shall govern all meetings in all cases to which they are applicable, except as they are inconsistent with the bylaws. The President, or in such person's absence the Vice President, shall call all meetings of the members to order and shall act as Chairman thereof. If both are absent, the members shall select a Chairman. The Secretary or a designee shall record minutes of the meeting.

## **ARTICLE VI**

### **Board of Directors**

**Section 1. General Purposes.** The business and affairs of the Association shall be supervised by, and policies of the Association set by, the Board of Directors, except where the law or the bylaws require action to be taken or authorized by the members entitled to vote.

**Section 2. Number, Tenure and Qualification.** The Board of Directors shall consist of the five (5) Officers of the Association, one At Large Director, and one Director from each of eight (8) Regions. Each Director shall have been elected and qualified. In addition to the Directors, the Board shall include three (3) non-voting Advisors elected by the Supplier Members. Nominees for Officer positions shall have had prior service as a Director. An Officer may not simultaneously hold a regional Director seat and a position as Officer.

**Section 3. Regions.** The number of Regions and the territory to be covered by them shall be determined by the Board of Directors of the Association who may change existing Regions whenever it is deemed advisable.

**Section 4. Election of Directors.** Directors shall be elected by the members during the annual meeting of the Association.

**Section 5. Term of Office.** The term of office for a Director shall be up to three (3) years.

**Section 6. Election of Advisors.** During the annual meeting of the Association, the Supplier Members shall elect up to three (3) Advisors to serve on the Board of Directors. Two (2) Advisors shall be representatives from Supplier Members and the remaining Advisor shall be a representative from a Manufacturer Representative Member. Advisors shall serve a term of office of up to three (3) years. Advisors may attend and participate in meetings of the Board of Directors but shall have no vote.

**Section 7. Meetings.** Regular or Special meetings of the Board of Directors may be called either by or at the request of the President or a majority of the Directors. The person or persons authorized to call meetings may fix any place as the place for holding such meeting. Any such meeting may be held and action taken through the use of conference telephone or other communication equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and present in person at the meeting of the person or persons to participating.

**Section 8. Notice.** Notice of any meeting of the Board of Directors shall be given at least five (5) days previously thereto by notice delivered personally, faxed, emailed or sent to each Director and Advisor at their address as shown by the records of the Association. If mailed, such notice shall be deemed delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any Director or Advisor may waive notice of any meeting. The attendance of a Director or Advisor at any meeting shall constitute a waiver of notice of such meeting, except where a Director or Advisor attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the

Board of Directors need be specified in the notice or wavier of notice of such meeting, unless specifically required by law or these bylaws.

**Section 9. Quorum.** A majority of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

**Section 10. Manner of Acting.** The act of a majority of the Directors at a meeting at which a quorum is present shall be the act of the Board of Directors except where otherwise required by these bylaws.

**Section 11. Voting.** A vote of the Board of Directors shall require that a Quorum of the total Board members are participating in a Board meeting at the time of the vote. To pass a Board resolution or to adopt a Board policy or other Board action a majority of the Quorum must vote in favor of said resolution, policy or action.

**Section 12. Informal Action.** Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to such action.

## **ARTICLE VII OFFICERS**

**Section 1. Officers.** The Officers of the Association shall be a President, President-Elect, Vice President, Secretary/Treasurer, and Immediate Past President ( except during 2003, when the immediate past presidents of ARWI and NHRAW shall both be Officers) - - each of whom shall be a Wholesaler Member - - or an officer, executive officer or partner of a Wholesaler Member; and shall serve without compensation. The offices of Secretary and Treasurer shall be held by the same person. In addition there shall be an Executive Vice President elected by the Board of Directors.

**Section 2. Election and Tenure.** The President, President-Elect, Vice President, and Secretary/Treasurer shall be elected by the Wholesaler Members for a one (1) year term at each annual meeting of members in the manner provided in the bylaws. The Board of Directors shall elect the Executive Vice President. Each officer so elected shall hold office until his successor shall have been duly elected and shall have qualified; or until such officer's death, resignation, expulsion, or disability; or (except the Executive Vice President) until such officer ceases to be a member in good standing.

**Section 3. Vacancies.** In the event the office of President becomes vacant, the President-Elect shall be and become the President for the unexpired portion of the term. A vacancy in other offices shall be filled by the Board of Directors for the unexpired portion of the term, if it is deemed advisable.

**Section 4. President.** The President shall in general, supervise the business and the affairs of the Association, under the direction of the Board of Directors. The President shall preside at all meetings of the members and of the Board of Directors. The President may sign, with the

Secretary or other proper officer of the Association authorized by the Board of Directors, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President will confer with the President-Elect and Executive Vice President on all matters concerning committee appointments and activities, convention plans, and such other matters as may affect the future of the Association.

**Section 5. President-Elect.** In the absence of the President, the President-Elect shall perform the duties of the President. The President-Elect shall assist the President in all matters concerning the conduct of the Association, and specifically assume the responsibility of the supervision of all committee assignments. Election of the President-Elect designates that person as the successor to the Presidency.

**Section 6. Vice President.** In the absence of the President and President-Elect, or in the event of their inability or refusal to act, the Vice President shall perform the duties of the President. When so acting, the Vice President shall have all the powers of, and be subject to, all restrictions upon the President. The Vice President shall perform such other duties as may be assigned to him from time to time by the President or Board of Directors.

**Section 7. Secretary/Treasurer.** The Secretary shall supervise the Executive Vice President in the keeping of the minutes of the meetings of members and of the Board of Directors in one or more books provided for that purpose and see that all notices are duly given in accordance with the provisions of the bylaws or as required by law.

The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; shall deposit, or cause to be deposited, all such funds in the name of the Association in such banks, trust companies or other depositories, as the Board of Directors shall elect; and in general perform all duties incident to the office of Treasurer and such other duties as may be assigned from time to time by the President or the Board of Directors. The Treasurer shall give a bond for the faithful discharge of duties in such sum and with such surety or sureties as the Board of Directors shall determine, the cost of which shall be borne by the Association. The Treasurer shall make a report to the Board of Directors at each regular meeting, shall cause an annual audit or review of the Association books to be made, and shall report the results at the next annual meeting.

**Section 8. Executive Vice President.** The Executive Vice President shall, under the direction of the Board of Directors and President, manage the business and affairs of the Association and carry out the policies of the Association as set forth by the Board of Directors. The Executive Vice President shall also have the title of Chief Operating Officer.

**Section 9. Assistant Officers.** The Board of Directors from time to time may appoint one or more assistant officers who shall have such duties as may be assigned to them from time to time by the President or by the Board of Directors, or they may take action to provide other means, in lieu of the Executive Vice President, to facilitate the conduct and management of the Association.

**ARTICLE VIII  
ELECTION OF OFFICERS AND DIRECTORS**

**Section 1. Election of Directors**

At least ninety (90) days prior to each annual meeting, the President shall appoint a Board of Directors Nominating Committee Chair who will then select a Board of Directors Nominating Committee (BDNC). The BDNC shall select a nominee for each open Directors and Advisors position as may be necessary, and shall report the names of its nominees to the Board of Directors for approval. Upon approval of the Board of Directors, the names of the nominees shall be reported at the annual meeting for election. Additional nominations may be made from the floor at the annual meeting. A majority vote of a quorum of the membership will be necessary for the election of nominees.

The following procedures shall guide the BDNC in its selection of nominees:

- 1) The Board of Directors Nominating Committee Chair will be the current President-Elect in office that year.
- 2) The BDNC shall consist of the current Directors and Advisors.

Note: In accordance with Robert's Rules of Order, Directors whose term has been completed are eligible for re-nomination.

- 3) Once seated, the BDNC will receive membership listings as itemized in item 4 below for the purpose of selecting nominees for open positions.

It is understood that committee and/or council and regional meeting participation are important to a complete understanding of the needs of the association and the value of membership. It is therefore recommended that the nominating committee consider candidates who possess experience in both important areas of the organization.

- 4) To assist the nominating committee in identifying prospective nominees the following documents will be provided by staff:
  - 120 days prior to the Annual Meeting the Executive Director shall solicit the general membership to provide suggested nominees for the open director positions in the respective regions, supplier advisor and/or manufacturer representative positions.
  - A regional listing of wholesale prime contacts (with former presidents, board and committee/council participation noted.)
  - The regional director of the open regions may submit in writing recommendations of individuals in leadership positions of said region for consideration by the nominating committee as regional directors nominations. Recommendation shall be received by the Executive Director 60 days prior to the annual meeting.

- In addition to the nominations supplied by the general membership a listing of supplier member prime contacts (with former supplier advisors noted) to the Supplier Advisor Director whose position is open in order to provide recommendations to the nominating committee.
- In addition to the nominations supplied by the general membership a listing of manufacturer representative prime contacts (with former manufacturers representative directors noted) will be provided to the Manufacturers Representative Advisor Director whose position is open in order to provide recommendations to the nominating committee.

**Section 2. Election of Officers** At least ninety (90) days prior to each annual meeting, the President shall appoint Officer Nominating Committee Chair who will then select an Officer Nominating Committee comprised of the three most recent Presidents and the current President. Should any of the Former Presidents be unable to serve, the Chair may appoint another Former President(s) with the current President's approval. The Officer Nominating Committee shall select a nominee for the next Secretary/Treasurer of the Association and any other open Officer positions as may be necessary, and shall report the names of its nominees to the Board of Directors for approval. Nominees for Officer positions shall have had prior service as a Director. Upon approval of the Board of Directors, the names of the nominees shall be reported at the annual meeting for election. Additional nominations may be made from the floor at the annual meeting. A majority vote of a quorum of the membership will be necessary for the election of nominees.

## **ARTICLE IX COMMITTEES AND COUNCILS**

**Section 1. Executive Committee.** The Executive Committee of the Board of Directors shall consist of the Officers designated in Article VII Section 1 as members, to act for and instead of the Board of Directors, between regular meetings of the Board. The Executive Committee is prohibited from acting for the Board only on such matters which the Board may reserve unto itself, in advance, or which may similarly be expressly reserved to the Board by the bylaws. The President may vote only in order to break a tie vote. Meetings of the Executive Committee may be called by or at the request of the President. The person or persons authorized to call meetings may fix any place as the place for holding such meeting. Any meeting of the Executive Committee or other committees may be held and action taken through the use of conference telephone or other communication equipment by means of which all persons participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and present in person at the meeting of the person or persons to participating. Any action required or permitted to be taken at a meeting of the Executive Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to such action.

**Section 2. Nominating Committee.** At least ninety (90) days prior to each annual meeting, the President shall appoint a Nominating Committee of not less than three (3) members.

**Section 3. Other Committees and Councils.** Committees meet to execute the business of the Association, while Councils are product oriented "affinity groups" serving the

interests of their respective members. The Board of Directors shall have the power to create Committees and Councils of the Association; to define and limit their functions; prescribe the procedure for such Committees and Councils; and to discharge or terminate any such Committees and Councils.

**Section 4. Appointments.** The President, consulting with the President-Elect, shall appoint the chairman of each Committee and Council of the Association and shall counsel with the Committee and Council chairman on the appointment of Committee and Council members. The President shall also, after consultation with the committee chair, appoint a vice chair.

**Section 5. Quorum.** A majority of the members of any Committee or Council shall constitute a quorum, unless otherwise provided by the Board of Directors. The act of a majority of the Committee or Council members shall be that act of the Committee or Council.

**Section 6. Expenses.** No Committee or Council shall incur any expenses, or take any action on behalf of the Association, without the consent of the Board of Directors.

## **ARTICLE X DUES AND ASSESSMENTS**

**Section 1. Dues and Assessments.** The Board of Directors shall from time to time determine membership dues and assessments.

**Section 2. Default.** Any member who shall fail to pay dues or any special assessment within four (4) months after the date they become due, shall thereupon be in default. Upon written notice mailed, the membership of a member in default thirty (30) days in advance of a meeting of the Board of Directors may be terminated at that or any subsequent meeting of the Board, by majority vote of the Directors present at the meeting.

## **ARTICLE XI CONTRACTS**

**Section 1. Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any written contract or execute and deliver any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer or agent of the Association shall have the authority to enter into any contract or to execute and deliver any instrument in the name and on behalf of the Association.

**Section 2. Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by the Board of Directors.

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

**ARTICLE XII  
FISCAL YEAR**

**Section 1.** The fiscal year of the Association shall be determined by the Board of Directors. The Executive Vice President shall prepare and submit at the annual meeting an annual report and statement showing the condition of the membership, work accomplished during the year, finances of the Association, and other information of interest to the membership.

**Section 2.** The Board of Directors shall submit an annual report at the annual meeting of members with such recommendations as it may have for the advancement and benefits of the Association and its work.

**ARTICLE XIII  
AMENDMENT OF BYLAWS**

The bylaws of the Association may be repealed, modified, amended or restated by: (A) the affirmative vote of a majority of Directors then in office at a meeting of the Board of Directors, provided a copy of the proposed amendment or a summary thereof shall be provided to the Directors along with the notice of the meeting; (B) the affirmative vote of a majority of Wholesaler Members in attendance in person or by proxy at a meeting of members, provided a copy of the proposed amendment or a summary thereof shall be provided to the Wholesaler Members along with the notice of the meeting or; (C) by the affirmative vote by written ballot of a majority of the Wholesaler Members entitled to vote, provided a copy of the proposed amendment or a summary thereof shall be provided to the Wholesaler Members along with the ballot.

**ARTICLE XIV  
INDEMNIFICATION**

**Section 1. Indemnification.** The Association shall indemnify any Director or Officer to the fullest extent provided by, or permissible under, the Ohio Nonprofit Corporation Law; and the Association is hereby specifically authorized to take any and all further action to effectuate any indemnification of any Director or Officer which any Ohio corporation may have power to take, by any vote of the members, vote of disinterested Directors, by any Agreement, or otherwise. This section of the bylaws shall be interpreted in all respects to expand such power to indemnify to the maximum extent permissible to any Ohio corporation with regard to the particular facts of each case, and not in any way to limit any statutory or other power to indemnify, or right of any individual to indemnification.

**Section 2. Insurance of Indemnification.** The Association may purchase and maintain insurance for protection of the Association and for protection of any Director, Officer, employee and/or any other person for whom such insurance may be purchased and maintained under the Ohio Nonprofit Corporation Law, or otherwise. Such policy or policies or insurance may provide such coverage and be upon such terms and conditions as shall be authorized or approved from time to time by the Board of Directors or the members of the Association.

**ARTICLE XV  
DISSOLUTION AND LIQUIDATION**

The Association may be dissolved in the following manner:

A proposal that the Association be dissolved may be made by resolution of the Board of Directors, and in such event the Board of Directors may direct that the proposal be submitted at the next annual meeting of the members or at a special meeting of members called by the Board of Directors to consider such proposal.

A proposal that the Association be dissolved may also be made by not less than forty (40) percent of Wholesaler Members, by filing with the President or Secretary a written statement to that effect signed by the proponents, together with a request that the proposal be submitted at the next annual meeting of members, or together with a request for special meeting of members to consider such proposal.

When a proposal has been made as provided in this article, the notice of the annual or special meeting at which the proposal is to be considered shall state the purpose, or one of the purposes, of the meeting is to consider the dissolution of the Association. Dissolution of the Association shall be effective upon receiving the affirmative vote of two-thirds of the members present at the meeting in person or by proxy.

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

Upon the dissolution of the Association, the Board of Directors shall, after paying or make provisions for the payment of all of the liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association in such manner, or to such organization or organizations as shall at the time qualify as an exempt organization or organizations under Section 501(c)(6) or Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the circuit court of the county in which the principal office of the Association is then located, exclusively for such purposes or to such organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

## **ARTICLE XVI REGIONS**

**Section 1. General.** Each region shall incorporate and may establish its own constitution, subject to the approval of the Board of Directors. The requirements for membership in any Region shall be consistent with the requirements for the various classifications of membership as set forth herein. Each region shall hold at least one meeting each year.

**Section 2. Chairman of Region.** The presiding officer of a Region shall be known as the "Chairman" of that Region.

**Section 3. Regional Activities.** A Region shall accept as a Member of the Region any Member of the Association which has a branch store located in the geographic area included within such Region. A Region may, by a majority vote of the members of the Region, approve as

a member of the Region, heating, air conditioning and refrigeration wholesalers that are not Members of the Association. Such membership in the Region shall be limited to one (1) year, during which time the Regional member must submit a completed application for Membership in the Association. If such application is not submitted by the end of such one (1) year period or if the application is not approved by the Board of Directors of the Association, the Regional member's Regional membership shall terminate.

**Section 4. Staff Support to Regional Boards.** The Executive Vice President will serve as an ad hoc member of each Regional Board to provide interface and assistance from the Association.

## **XVII CONSISTENCY WITH ARTICLES OF INCORPORATION**

If any provision of these bylaws shall be inconsistent with the Association's Articles of Incorporation (and as they may be amended from time to time), the Articles of Incorporation (as so amended) shall govern.