

BY - LAWS
of the
PLUMBING CONTRACTORS ASSOCIATION
OF
CHICAGO AND COOK COUNTY

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ARTICLE I

NAME

The name of this corporation shall be the PLUMBING CONTRACTORS ASSOCIATION OF CHICAGO AND COOK COUNTY (hereinafter referred as the "Association").

ARTICLE II

LOCATION OF OFFICE

The principal office of the Association shall be located in the County of Cook, State of Illinois. The Association shall, at all times, have a registered agent whose address shall be the same as the principal office of the Association.

ARTICLE III

PRINCIPAL OBJECTIVES

The principal objectives of the Association shall be to promote and encourage the highest standards and ethical practices in providing plumbing and in drainage construction; to improve the service provided to the public by Plumbing Contractors; to promote the enactment and enforcement of modern, scientific and practical statutes and ordinances relating to providing complete plumbing installation and drainage construction; to educate the members of the craft in the principles of sanitation; to promote harmonious, equitable and ethical relations and sophisticated business practices among Plumbing Contractors, Journeymen Plumbers and others engaged in the building industry, including the manufacturers and jobbers of supplies: to promote the improved design and standardization of fittings and other plumbing materials and tools; and to support an apprenticeship system which provides for the effective training of apprentices.

ARTICLE IV

MEMBERSHIP

Section 1. Classes. There shall be four classes of members in the Association, namely, Active Member Firms, Specialty Trade Contractor Member Firms, Honorary Members and Associate Members.

Section 2. Active Member Firms. (a) A plumbing contracting firm shall be eligible as a Active Member Firm in the Association if it:

- (1) Is a plumbing contractor bound to the area wide agreement with Local Union 130;

- (2) Requires that each of its plumbers is duly licensed by the City of Chicago or by the State of Illinois;
- (3) Is creditably and actively engaged in the plumbing contracting business in the State of Illinois.

(b) Each Active Member Firm of the Association shall designate a representative and an alternate representative to represent it in Association matters, and shall notify the Association's Executive Director, in writing, of the names of said individuals.

(c) An Active Member Firm of the Association in good standing (a member in good standing is defined as a member that is in compliance with all rules and regulations of the PCA and that is current in its dues and assessments) shall be entitled to all privileges and benefits of membership in the Association, including the right to vote on all matters requiring, or submitted to, a vote of members of the Association, subject to the provisions of Article V of these By-Laws.

Section 3. Specialty Trade Contractor Member Firms. (a) A specialty trade contractor member firm shall be eligible for membership in the Association if it:

- (1) Is a specialty trade contractor bound to the area wide agreement with Local Union 130;
- (2) Employs one or more plumbers that are duly licensed by the City of Chicago or by the State of Illinois;

(b) Each Specialty Trade Contractor Member Firm of the Association shall designate a representative and an alternate representative to represent it in Association matters, and shall notify the Association's Executive Director, in writing, of the names of said individuals.

(c) A Specialty Trade Contractor Member Firm of the Association in good standing shall be entitled to all privileges and benefits of membership in the Association, except the right to vote and the right to hold office as a Director or Officer of the Association.

Section 4. Honorary Members. (a) A person shall be eligible for honorary membership in the Association if he:

- (1) Has ceased to be actively engaged as a contractor in the plumbing business; and
- (2) Is not financially indebted to the Association; and
- (3) Has rendered meritorious service to the Association.

(b) An Honorary Member shall be entitled to attend all meetings of the members of the Association, and shall have the right to be heard at such meetings. However, an Honorary Member shall not be entitled to vote on any matter submitted to a vote of the members.

(c) An Honorary Member shall not be required to pay any membership dues or assessments.

Section 5. Associate Member. (a) A person shall be eligible for Associate Membership in the Association if he is actively involved in the Plumbing Industry as a Service Provider such as a plumbing supplier, plumbing manufacturer's representative, consultant, accountant, law firm, public relations agency or other similar entity interested in the success of the Mission of the Association.

(b) An Associate Member shall be entitled to attend all meetings of the members of the Association, and shall have the right to be heard at such meetings. However, an Associate Member shall not be entitled to vote on any matter submitted to a vote of the members.

(c) An Associate Member shall be required to pay membership dues or assessments as determined by the Board of Directors.

Section 6. Application Procedure for Active Membership. (a) A plumbing contracting firm or a Specialty Trade Contractor that wishes to be considered for membership in the Association shall submit to the Executive Director a completed membership application and the necessary fees and/or dues. The form and contents of the membership application shall be determined by the Board of Directors, and may be amended by the Board from time to time.

(b) Membership applications received by the Executive Director shall be promptly forwarded to the Board of Directors for consideration. The Board of Directors may refer membership applications to the Association's Membership Committee for evaluation and appropriate recommendations.

(c) The Board of Directors, at any regular or special Board meeting, may approve or deny a pending membership application. Where a membership application is approved, the applicant shall immediately be deemed a member of the Association in the Class for which it applied, and the applicant and all other members of the Association shall be so notified. Where a membership application is denied, the applicant shall be so notified, and any fees and/or dues submitted with its application shall be returned.

Section 7. Obligations of Members. Upon admission into the membership of the Association, each member shall automatically be deemed to have accepted and committed itself to uphold the Articles of Incorporation and By-Laws of the Association, to adhere to rules and regulations issued by the Board of Directors, to remain current in the payment of Association dues, and to act at all times in the best interests of the Association.

Comment [jpd1]:

Section 8. Termination of Membership. (a) If the Board of Directors determines that a member firm no longer meets the eligibility requirements for membership in the Association, the Board may recommend the termination of the membership of said member firm. The recommendation of the Board shall become effective upon adoption by two-thirds (2/3) of the

Active Member Firms of the Association in good standing and entitled to vote and voting at a regular or special meeting of the members.

(b) If the Board of Directors determines that an Honorary Member no longer meets the eligibility requirements for Honorary Membership in the Association, the Board may recommend the termination of the honorary membership of said member. The recommendation of the Board shall become effective upon adoption by two-thirds (2/3) of the Active Member Firms of the Association in good standing and entitled to vote and voting at a regular or special meeting of the members.

Section 9. Transfer of Membership. Membership in the Association shall not be transferable by operation of law, by action or inaction of any member, or by any other means, without the express consent of the Board of Directors of the Association.

Section 10. Resignation of Membership. Any member wishing to terminate membership in the Association shall submit a written resignation to the Executive Director. A resignation shall become effective only when it has been accepted by the Board of Directors and the resigning member has discharged all financial obligations to the Association.

Section 11. Member's Interest in Association Property. No member of the Association, by reason of its membership, shall have any right, title or interest in or to any property or assets of the Association, except in the event of dissolution of the Association and the consequent distribution of its property and assets.

ARTICLE V

MEETINGS OF THE MEMBERS

Section 1. Annual Meeting. An annual meeting of the members of the Association shall be held in the month of November each year, on a date and at a time designated by the Board of Directors. The purpose of the annual meeting shall be to elect officers and directors of the Association for the forthcoming year, and to transact such other business as may properly come before the meeting.

Section 2. Regular Meetings. Regular meetings of the members of the Association shall be held during the year on dates established by the Board of Directors.

Section 3. Special Meetings. Special meetings of the members of the Association may be called by the President at any time. The President shall call a special meeting of the members when directed to do so by the Board of Directors, or upon the written request of not less than fifteen (15) Active Member firms of the Association in good standing.

Section 4. Place of Meetings. Annual, regular and special meetings of the members of the Association shall be held at the offices of the Association, or at such other location as determined by the Board of Directors.

Section 5. Notice of Meetings. (a) At least ten (10) days' notice shall be given to members of the Association prior to each annual and regular meeting of the members. The notice shall state the place, date and time of the meeting.

(b) At least five (5) days' notice shall be given to members of the Association prior to any special meeting of the members. The notice shall state the place, date and time of the meeting, and the specific purpose(s) of the meeting. No business may be transacted at a special meeting unless stated in such notice.

Section 6. Form and Service of Notice. Notices required under this Article and elsewhere in these By-Laws shall bear the signature of the President or Executive Director. If mailed, a notice shall be deemed to have been given if sent via electronic mail or deposited in the United States mail, postage prepaid, and addressed to the member at its address as shown on the records of the Association.

Section 7. Quorum. At all membership meetings, the presence of twenty-five percent (25%) of the Active Member firms of the Association in good standing and entitled to vote shall constitute a quorum. No business may be transacted at any meeting where a quorum is not present.

Section 8. Voting. (a) On each matter submitted to a vote of the members, including the election of officers and directors, each Active Member firm of the Association in good standing shall be entitled to one vote.

(b) In the absence of a properly executed proxy, as provided in Section 9 below, the designated representative of an Active Member firm shall be the sole person entitled to vote on behalf of said member.

Section 9. Proxies. Each Active Member firm entitled to vote at a meeting of members of the Association may, by proxy, authorize another person to vote on its behalf. To be valid, a proxy shall be in writing, shall be signed and dated by the member entitled to vote, and shall expressly designate the identity of the person authorized to vote for the member. No proxy shall be valid after eleven (11) months, unless the proxy specifically provides for a longer effective period.

Section 10. Manner of Voting. (a) Subject to the following exceptions, voting at meetings of the members of the Association shall be by voice yea or nay vote, by a standing vote, by a roll call vote, or by secret ballot.

(b) Voting on a given matter shall be by roll call vote or by secret ballot if (i) a motion is made by an Active Member firm of the Association present at a meeting, and (ii) the motion is carried by a majority of Active Member Firms present at the meeting and entitled to vote.

(c) All voting with respect to contested elections and labor relations matters shall be by secret ballot.

(d) All matters submitted to a vote of the members of the Association shall be decided by a majority of the votes cast, except as otherwise provided in these By-Laws.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. General Powers. The affairs, funds, properties and assets of the Association shall be managed by the Board of Directors.

Section 2. Composition. The Board of Directors shall be comprised of the President, immediate past President, First Vice President, Second Vice President, Treasurer, and eight (8) elected Directors.

Section 3. Qualifications. Each director and officer shall be a Principal or a member of upper management of an Active Member firm of the Association in good standing.

Section 4. Term of Office. The regular term of office of each director, President, First Vice President, Second Vice President, and Treasurer shall be two (2) years.

Section 5. Election and Installation. All directors and officers shall be nominated and elected by the members of the Association in accordance with the procedures contained in Article VIII of these By-Laws. All newly elected directors and officers shall take office on the first day of January immediately following their election.

Section 6. Vacancies. In the event that a director or officer dies, resigns, is removed, or is otherwise unable or unwilling to serve, the vacancy shall be filled by a designated representative of an Active Member firm of the Association nominated by the President and approved by the Board. The appointee shall serve for the remainder of the unexpired term of the person replaced.

Section 7. Resignations. (a) Any director or officer wishing to resign shall submit a written resignation to the President of the Association or, in his absence, to the Executive Director.

(b) Any director or officer who is absent from three (3) or more consecutive meetings of the Board of Directors during any one year shall automatically be deemed to have resigned, except where one or more such absences is due to physical disability or being out of town.

Section 8. Removal. Where the Board of Directors determines that the best interests of the Association would be served by the removal of one or more directors and/or officers, it shall make such recommendation to the members of the Association. The recommendation of the Board of Directors shall become effective upon adoption by two-thirds (2/3) of the Active Member firms of the Association in good standing and entitled to vote and voting at a regular or special meeting of the members.

Section 9. Regular Meetings. The Board of Directors shall hold regular monthly meetings during the year.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President at any time. The President shall call a special meeting of the Board upon the written request of two (2) or more directors.

Section 11. Place of Meetings. Regular and special meetings of the Board of Directors shall be held at the offices of the Association, or at such other location as determined by the President or the Board of Directors in his absence.

Section 12. Notice of Meetings. At least two (2) days' notice shall be given to each director prior to each regular and special meeting of the Board of Directors. The notice shall state the place, date and time of the meeting.

Section 13. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. No business may be transacted at any meeting where a quorum is not present.

Section 14. Manner of Acting. The act of a majority of the directors present at a meeting of the Board at which a quorum is present shall constitute an act of the Board of Directors, unless the act of a greater number of directors is required by statute, the Articles of Incorporation of the Association, or these By-Laws.

Section 15. Compensation. Directors and officers shall not receive any compensation for their services, but upon approval of the Board, may be reimbursed for expenses incurred in the performance of their duties on behalf of the Association.

Section 16. Interpretation. The Board of Directors Shall Have the Sole Power to Interpret These By-Laws.

ARTICLE VII

DUTIES OF OFFICERS

Section 1. President. (a) The President shall be the chief executive officer of the Association. Subject to the approval and control of the Board of Directors, the President shall manage the business of the Association; ensure that the Articles of Incorporation and By-Laws of the Association are followed and enforced; preside at all meetings of the members of the Association and at all meetings of the Board of Directors; designate areas of responsibility for each Vice President; appoint the Chairmen of all committees, and be a non-voting member of all committees, except the Nominating Committee; act as spokesperson for the Association where a public statement is necessary or appropriate; and discharge all duties incident to the office of the President and such other duties as the Board of Directors may prescribe.

(b) The President shall have authority to execute on behalf of the Association any contract, deed, mortgage, bond or other instrument which the Board of Directors has authorized to be executed.

(c) At the discretion of the Board of Directors, the President may be presented with an honorarium at the conclusion of his term of office.

Section 2. First Vice President. The First Vice President shall serve as an assistant to the President. He shall assume the duties and exercise the powers of the President during any absence or disability of the President, and shall succeed to the presidency in the event of the death, disqualification, resignation or removal from office of the President.

Section 3. Second Vice President. The Second Vice President shall serve as an assistant to the President. He shall assume the duties and exercise the powers of the President during any absence or disability of the President, and First Vice President shall succeed to the first vice presidency in the event of the death, disqualification, resignation or removal from office of the First Vice President, and shall succeed to the presidency in the event of the death, disqualification, resignation or removal from office of both the First Vice President and the President.

Section 4. Treasurer. The Treasurer shall be the principal accounting and financial officer of the Association. He shall have custody of all funds, securities and property of the Association, and be responsible for the proper receipt and disbursement of same; maintain adequate books of account for the Association; and discharge all duties incident to the office of Treasurer and such other duties as the Board of Directors may prescribe.

ARTICLE VIII

NOMINATION AND ELECTION OF DIRECTORS AND OFFICERS

Section 1. Officers and Directors to Be Elected. In November of each year, at the annual meeting of the members, four (4) directors shall be elected for a term of two (2) years, and a President, First Vice President, Second Vice President, and Treasurer shall be elected for a term of two (2) years.

Section 2. Nominating Committee. In October of each year, at the regular meeting of the members, a Nominating Committee comprised of the designated representatives of seven (7) or more Active Member firms of the Association shall be selected by the members.

Section 3. Nominations by Nominating Committee. (a) The Nominating Committee, by majority vote of its members, shall nominate a ticket of qualified nominees for the offices of President, First Vice President, Second Vice President, and Treasurer, and for the four (4) directors to be elected at the forthcoming annual meeting of the members. Only Active Member Firm designees shall be eligible for Directors and Officer's positions.

(b) The Nominating Committee shall submit the names of its nominees to the Executive Director no later than November 1.

Section 4. Notice of Nominations. At least five (5) days prior to the annual meeting of the members, the Executive Director shall mail each member of the Association a notice listing the nominees of the Nominating Committee, as well any other qualified nominee who has given written notice to the Executive Director that he wishes to run for a particular office or for a seat on the Board of Directors.

Section 5. Ballots. If there is more than one nominee for any office, or more nominees for director than the number of directors to be elected, the Board of Directors shall have ballots prepared showing the nominee(s) for each office and for the Board of Directors. The ballots shall be used at the annual meeting of the members.

Section 6. Election. At the annual meeting of the members, an election shall be held to determine the officers and the Board of Directors of the Association for the forthcoming year. The candidate receiving the highest number of votes for the office for which he has been nominated shall be declared elected, as shall the four (4) candidates receiving the highest number of votes for membership on the Board of Directors.

ARTICLE IX

EXECUTIVE DIRECTOR

Section 1. Employment and Compensation. The Board of Directors shall have authority to hire an Executive Director on behalf of the Association, to determine his compensation, and to remove him for reasons which it deems appropriate.

Section 2. Duties. Subject to the approval and control of the President and the Board of Directors, the Executive Director shall supervise the executive offices of the Association; issue all notices required by these By-Laws; record the minutes of meetings of the members and Board of Directors; maintain current records showing the name, address and telephone number of each member of the Association; maintain the books and records of account of the Association; present periodic reports to the Board of Directors with respect to the financial position of the Association; collect moneys due the Association, including dues, fees and assessments owed by members; compile and maintain copies of all plumbing codes in effect within the Metropolitan Cook County area; provide to the President, the Board of Directors and committee chairmen information about which they should be informed; act as Secretary of the Association when necessary and appropriate for purposes of executing documents; and promote and advance the interests of the Association among its members, labor unions, architects, contractors, governmental authorities, and the public generally.

Section 3. Other Employees. The Board of Directors shall have authority to employ, on behalf of the Association, other persons deemed necessary for the proper functioning and administration of the Association, to determine the compensation of such persons, and to remove such persons for reasons which the Board deems appropriate. Such employees shall report either to the President or the Executive Director, as determined by the Board of Directors.

ARTICLE X
COMMITTEES

Section 1. Standing Committees. The Association shall maintain the following standing committees:

- Joint Apprenticeship Committee
- Legal Service Fund Committee
- Labor Relations Committee (All Industry Committee)
- Membership Committee
- Pension Fund Committee
- Welfare Fund Committee
- Joint Arbitration Board

Section 2. Standing Committee Members. Unless otherwise provided by the Board of Directors, each standing committee shall be comprised of the designated representatives of at least three (3) Active Member firms of the Association. The Chairman of each standing committee shall be appointed and may be removed by the President of the Association, subject to approval of the Board of Directors.

Section 3. Duties of Standing Committees. In addition to the duties that may be assigned to them from time to time by the President or the Board of Directors, the duties of the standing committees of the Association shall be as follows:

- (a) **Joint Apprenticeship Committee.** To represent the Association on matters coming before the Plumbers Joint Apprenticeship Committee of Chicago, Cook County and vicinity, and to protect the interests of the Association in the operation and administration of the Apprentice Training Program, which is more specifically described in the Apprenticeship Standards for the Plumbing Industry of Chicago, Cook County and vicinity. The five members of this Committee shall be the same persons as those serving on behalf of the Association as "Chicago Association Trustees" under the terms of the June 1, 1960 Trust Agreement creating the Apprentice Education and Training Trust Fund. They shall be appointed and may be removed by the President of the Association, subject to the approval of the Board of Directors. In all other respects, they shall serve under the conditions prescribed for Chicago Association Trustees under the aforementioned Trust Agreement.
- (b) **Group Legal Service Fund Committee.** To protect the interests of the Association in the operation and administration of the group legal services plan

for journeyman plumbers and apprentices, known as the "Chicago Journeymen Plumbers' Local Union 130, U.A. Group Legal Services Plan Fund" ("Group Legal Services Plan"), and its successors; to ensure that the stated objectives of the Group Legal Services Plan are carried out; and to submit an annual report to the Association regarding the financial status of the Group Legal Services Plan and other pertinent matters. The members of this committee shall be the same persons as those serving on behalf of the Association as "Contractor Trustees" under the Group Legal Services Plan. They shall be appointed and may be removed by the President of the Association, subject to the approval of the Board of Directors. In all other respects, they shall serve under the conditions prescribed for Contractor Trustees under the Group Legal Services Plan.

(c) Labor Relations Committee (all industry committee). To deal with all matters pertaining to labor relations; to represent Plumbing Contractors in all collective bargaining negotiations with labor, and to submit recommendations to the Board of Directors for final action by the Association; and to hear, consider and adjust, with appointed representatives of labor, all disputes and controversies arising under applicable collective bargaining agreements or otherwise.

(d) Membership Committee. To promote membership in the Association; to investigate applications for membership in the Association and submit findings and recommendations to the Board of Directors; and to ensure that each member of the Association in good standing is provided with a membership card or other evidence of membership in the Association.

(e) Pension Fund Committee. To protect the interests of the Association in the operation and administration of the pension plan for journeymen plumbers and apprentices, known as the "Plumbers' Pension Fund Local 130, U.A." ("Pension Plan"), and its successors; to ensure that the stated objectives of the Pension Plan are carried out; and to submit an annual report to the Association regarding the financial status of the Pension Plan and other pertinent matters. The members of this committee shall be the same persons as those serving on behalf of the Association as "Contractor Trustees" under the Pension Plan. They shall be appointed and may be removed by the President of the Association, subject to the approval of the Board of Directors. In all other respects, they shall serve under the conditions prescribed for Contractor Trustees under the Pension Plan.

(f) Welfare Fund Committee. To protect the interests of the Association in the operation and administration of the health and welfare plan for journeymen plumbers and apprentices, known as the "Plumbers' Welfare Fund, Local 130, U.A." ("Welfare Plan"), and its successors; to ensure that the stated objectives of the Welfare Plan are carried out; and to submit an annual report to the Association regarding the financial status of the Welfare Plan and other pertinent matters. The members of this committee shall be the same persons as those serving on behalf of the Association as "Contractor Trustees" under the Welfare Plan. They shall be appointed and may be removed by the President of the Association, subject to the

approval of the Board of Directors. In all other respects, they shall serve under the conditions prescribed for Contractor Trustees under the Welfare Plan.

(g) Joint Arbitration Board Committee. The Joint Arbitration Board represents the Funds and sits as a hearing body with equal representation of Labor and Management. They hear cases of violations of the collective bargaining agreement. The Joint Arbitration Board will also listen to disputes of the findings of Fund audits. They shall be appointed and may be removed by the President of the Association, subject to the approval of the Board of Directors.

Section 4. Committee Meetings. (a) Committee meetings shall be held when necessary or advisable, at a time and place determined by the committee or its Chairman.

(b) A majority of the members of a committee shall constitute a quorum for the transaction of business at any meeting of such committee.

(c) Any member of a committee who is absent from three (3) or more consecutive meetings of his committee during any one year shall automatically be deemed to have resigned, except where one or more such absences is due to physical disability or being out of town.

Section 5. Operating Committees. The Board of Directors may create operating Committees or ad hoc Committees as it deems appropriate. Said Committees shall have the powers and duties as assigned by the Board of Directors.

Section 6. Restrictions on Authority. No committee shall have the right or authority, whether express or implied, to incur any charge, fee or expense for or on behalf of the Association, or to bind the Association to any agreement or other obligation, without the specific prior approval of the Board of Directors.

Section 7. Association Representation in Industry Organizations. In addition to maintaining the standing committees enumerated above, the Association shall ensure that it is represented in the following organizations and such other organizations as the Board of Directors deems appropriate: Plumbing Council of Chicagoland; Construction Industry Affairs Committee; and the Coordinating Committee of Mechanical Specialty Contractors Associations.

ARTICLE XI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 1. General. The Association may indemnify any person who was or is a party, or who is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding (other than an action, suit or proceeding by or in the right of the Association), whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, officer, employee or agent of the Association, or who is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by

him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was lawful.

Section 2. Actions by the Association. The Association may indemnify any person who was or is a party, or who is threatened to be made a party, to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor, by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association, unless, and only to the extent that, the court in which such action or suit was brought shall determine that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

Section 3. Successful Litigation. To the extent that a director, officer, employee or agent of the Association has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article XI, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 4. Authorization. Any indemnification under Sections 1 and 2 of this Article XI shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 or 2 of this Article XI. Such determination shall be made (a) by the majority vote of members of the Board of Directors who were not parties to such action, suit or proceeding, or (b) on the basis of a written opinion of independent legal counsel, or (c) by the members.

Section 5. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of a pledge by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article XI.

Section 6. Non-Exclusivity. The indemnification provided by this Article XI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Law, agreement, vote of members or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 7. Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or who is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article XI.

ARTICLE XII

LABOR RELATIONS

Section 1. Exclusive Representative and Agent. The Association shall be the exclusive representative and agent of all of its member firms in all labor matters relating to the plumbing industry within the geographic area covered by Local 130, including all collective bargaining matters and other dealings with labor unions within or affecting the plumbing industry.

Section 2. Collective Bargaining Agreements. (a) The Association shall have authority to enter into collective bargaining negotiations as the representative and agent of all of its member firms, and to make recommendations to Association members concerning the adoption of new or amended collective bargaining agreements.

(b) The recommendations of the Association shall be presented to and voted upon by the member firms of the Association at a regular or special membership meeting. Where the recommendations of the Association are approved by two-thirds (2/3) of the member firms in good standing and entitled to vote and voting at such meeting, the Association shall enter into and execute the subject collective bargaining agreement. That agreement shall thereupon become binding on each and every member firm of the Association.

(c) No member of the Association shall, at any time, enter into any oral or written agreement which in any way contravenes, conflicts with, amends or deviates from any collective bargaining agreement which the Association has executed on behalf of its member firms. Nor shall any member of the Association engage in any conduct which might, in any way, adversely affect a position taken by the Association in a labor relations matter.

ARTICLE XIII

DUES, FEES AND ASSESSMENTS

Section 1. Dues and Fees. The Board of Directors shall establish and publish a schedule setting forth membership dues, transfer fees, and other regular charges applicable to members of the Association. Said schedule may be amended from time to time, where:

(a) A recommendation and motion so providing is made by the Board of Directors at a regular or special meeting of the Association; and

(b) The vote on the motion carries by a majority of those Active Member Firms present at the meeting and entitled to vote.

Section 2. Additional Assessments. Further and additional assessments may be imposed upon Active Member Firms of the Association for the purpose of meeting and disposing of emergency or extraordinary financial demands upon the Association, where:

(a) A recommendation and motion so providing is made by the Board of Directors at a regular or special meeting of the Association;

(b) At least fifty percent (50%) of the Active Member Firms of the Association in good standing and entitled to vote are present at the meeting; and

(c) The vote on the motion carries by at least two-thirds (2/3) of those Active Member Firms present at the meeting and entitled to vote.

ARTICLE XIV

DISCIPLINE

Section 1. Non-Payment of Dues. Any member of the Association who is in arrears for a period of sixty (60) days in the payment of dues, fees, assessments or fines shall be considered delinquent and not in good standing. The membership of a delinquent member may be canceled or suspended by the Board of Directors at any regular or special Board meeting.

Section 2. Wrongful Conduct. (a) A member shall be deemed guilty of wrongful conduct where, in the opinion of the Board of Directors, the member has violated a provision of these By-Laws or other rule or regulation of the Association, or has engaged in conduct considered detrimental to the welfare, interests or reputation of the Association. Prior to making any such finding, the Board of Directors shall provide the member with notice of the charges against it and an opportunity to present a response.

(b) Where the Board of Directors finds that a member of the Association is guilty of wrongful conduct, it may recommend that the member be censured, fined a specific sum, suspended from membership for a specific period of time, requested to resign from the Association, or expelled. The recommendation of the Board of Directors shall become effective

upon adoption by two-thirds (2/3) of the Active Member Firms in good standing and entitled to vote at any regular or special membership meeting.

ARTICLE XV

BOOKS AND RECORDS

The Association shall maintain and preserve an official copy of its Articles of Incorporation, its By-Laws and all amendments thereto, its books and records of account, the minutes of all meetings of its members and Board of Directors, and a record showing the names and addresses of all members of the Association entitled to vote. These documents shall be kept in the custody of the Executive Director, and shall be subject to inspection by any member of the Association, at any reasonable time, for any proper purpose.

ARTICLE XVI

FISCAL YEAR

The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

ARTICLE XVII

SEAL

The Association shall have a corporate seal, which shall be in the form of a circle and shall have inscribed on it the name of the Association and the words, "Corporate Seal, Illinois." The Executive Director shall have custody of the Seal, and shall be authorized to affix it to any approved contract or document requiring same.

ARTICLE XVIII

MISCELLANEOUS

Section 1. Annual Audit. The accounts of the Association shall be audited annually by a reputable certified public accountant, as of the close of the fiscal year. The audit shall be available for inspection by members of the Association.

Section 2. Bonding. The Executive Director, and all persons authorized to disburse funds of the Association, shall be bonded under surety bonds in such amounts as the Board of Directors deems appropriate. The cost of such bonds shall be paid by the Association.

Section 3. Checks and Drafts. All checks, drafts and other orders for the payment of money, and all notes and other evidences of indebtedness, shall be executed on behalf of the Association solely by persons designated from time to time by resolution of the Board of Directors.

Section 4. Deposits. All moneys of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories selected by the Board of Directors.

Section 5. Parliamentary Authority. The current edition of "Robert's Rules of Order" shall be the final source of authority on all questions of parliamentary procedure, provided that such rules are not inconsistent with the Articles of Incorporation of the Association, its By-Laws, or any special rules of order or procedure adopted by the Board of Directors.

Section 6. Use of Terms. As used in these By-Laws, all terms of masculine gender shall be construed, where appropriate, to be of the feminine gender.

ARTICLE XIX

AMENDMENTS

Section 1. Procedure. These By-Laws may be amended by a majority of the Active Member Firms present, in good standing and entitled to vote at a regular or special meeting of the Association, provided that written notice of the proposed amendment has been given to each member of the Association at least ten (10) days prior to the meeting at which the proposed amendment is to be voted upon.

Section 2. Effective Date. Amendments of these By-Laws shall become effective immediately upon their adoption, unless the motion to adopt a given amendment specifies another time for its becoming effective.

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