

**BYLAWS OF
TEXAS SELF STORAGE ASSOCIATION, INC.**

ARTICLE I. ASSOCIATION NAME

1.01. *Name.* The name of the Association shall be Texas Self Storage Association, Inc., which shall be referred to in these bylaws as the "Association."

ARTICLE II. OFFICES

2.01. *Principal office.* The principal office of the Association in the State of Texas shall be located in the City of Round Rock, County of Williamson, Texas. The Association may have such other offices, either within or without the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require from time to time. The Board of Directors shall be referred to in these bylaws as the "Board."

2.02. *Registered office and agent.* The Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be identical with the principal office of the Association in the State of Texas, and the address of the registered office may be changed from time to time by the Board.

ARTICLE III. PURPOSE

3.01. *Purpose.* The purpose of this non-profit Association shall be:

- a. To enhance the quality of the self-service storage industry in Texas, and to promote the Association's Code of Ethics.
- b. To provide opportunities for members to increase their knowledge of the self-storage industry through education, research, discussion and exchange of information.
- c. To provide leadership in Texas on issues that affect the self-storage industry.
- d. To impact the standard of conduct in the self-storage industry in Texas.
- e. To do any and all things that are appropriate to further these purposes.

ARTICLE IV. MEMBERSHIP

4.01. *Membership categories.* The Association shall have four main categories of members: (1) owner members, (2) management company members, (3) vendor members, and (4) developer members.

4.02. *Definition of categories.* The definition of the various categories and their respective reporting obligations are as follows:

a. An "owner member" is a person, partnership, corporation, or other entity that has any ownership interest in a self-storage facility. Owner members shall provide the Association with a list of the names of all self-storage facilities in Texas which are owned in whole or in part by the owner.

b. A "management company member" is a person, partnership, corporation, or other entity in the business of providing management services to an owner of a self-storage facility. A management company member shall provide the Association with a list of the names and addresses of all self-storage facilities in Texas managed by the management company member.

c. A "vendor member" is a person, partnership, corporation, or other entity that provides services or products to the self-storage industry.

d. A "developer member" is a person, partnership, corporation, or other entity that does not qualify as an owner member, management company member, or vendor member but shares an interest in the self-storage industry and seeks to perpetuate the goals of the Association. An out-of-state person, partnership, or corporation that does not qualify as an owner member, management company member, or vendor member may be a developer member.

e. Combined memberships may also be extended for those who qualify in more than one category, but must be listed under the main membership name. Those with combined memberships must pay dues for whichever membership type has the greater dues.

4.03. *Application for membership.* A qualified applicant may be tentatively approved for membership upon payment of such dues and fees as the Board may set, until the Board approves the membership at the next regular meeting of the Board of Directors.

4.04. *Members subject to bylaws.* All members of the Association are subject to the regulations set forth in these bylaws and as they may from time to time be amended.

4.05. *Voting rights.* Each member shall be entitled to one vote on each matter submitted to vote by the members. Each partnership or corporate member shall appoint one individual who shall represent and vote for that member.

4.06. *Voting.* Members entitled to vote may do so in person at a meeting, by U.S. mail, by electronic methods, or by proxy in writing, with the proxy authorization dated and filed with the Board. A proxy is revocable at any time before it has been exercised.

Whenever a question arises on which the members shall vote, the Board may call a special meeting for such purpose or may submit the question to the members for a vote by mail or by electronic voting method. The question shall be decided by the majority of votes received by the close of business on the twenty-first day after the date of mailing by First Class Mail or transmittal of electronic communication. Should the twenty-first day fall on a holiday or day on which mail is not delivered, the time for acceptance shall be extended to the next business day. The majority of votes shall be binding on the Association as if the vote had been taken at a duly called meeting.

4.07. *Termination of membership.* The Board, by affirmative vote of two-thirds (2/3) of all the members of the Board, may suspend or expel a member for cause after an appropriate hearing. Violation of these bylaws, unethical practices, or conduct inconsistent with the purposes of the Association shall be sufficient cause for suspension or default as defined in Sections 4.09 and 4.11.

4.08. *Transfer of membership.* Membership in the Association is not transferable or assignable for Developer or Vendor memberships. An Owner membership can be transferred to a new owner, but the new owner must complete a TSSA membership application and sign the license agreement.

4.09. *Loss of good standing status.* A member must be in good standing at all times in order to exercise rights and privileges of membership, including the right to vote, serve on committees or the Board, hold office, use the TSSA logo, purchase or receive Association publications, or purchase or use copyrighted TSSA forms. Failure to pay any sum to the Association for 30 days after the due date shall automatically cause loss of good standing for the member's membership. The Association shall promptly mail a notice to a member and/or contact the member by phone or electronic methods if the member has lost his good standing or if his membership has terminated.

4.10. *Restoration of lost good standing status.* If a member is no longer in good standing because of nonpayment of monies due the Association, the member's good standing status shall be automatically restored, retroactively, if the member pays all sums due the Association, including any late fees, within 60 days from the due date of the earliest amount owed to the Association.

4.11. *Loss of membership.* A member shall be automatically removed from the membership rolls of the Association if any monies due the Association by the member are more than 90 days past due or if the Board terminates the member's membership pursuant to Section 4.07.

4.12. *Reinstatement of lost or terminated membership.* Memberships can be reinstated with the payment of a reinstatement fee. However, if the membership was lost or terminated for a period of years, the member will be required to pay dues for the period of years dues were unpaid unless waived or adjusted by TSSA staff. Member will also be required to pay any monies due the association if the membership was lost due to Section 4.11.

ARTICLE V. MEMBERSHIP MEETINGS

5.01. *Annual meeting.* There shall be an annual meeting of the Association members for the transaction of business that may come before the meeting. The annual meeting shall be held at such time and place as the Board may determine.

5.02. *Special meeting.* Special meetings of the Association may be called by the president, by 2/3 of the Board, or upon the written request of not less than one-fifth of the members.

5.03. *Place of meeting.* The Board may designate any place within or outside the State of Texas for any annual meeting, or for any special meeting called by the Board. If all of the Board members meet in person, by proxy, or telephonically and if the members all consent to the holding of a special board meeting, such meeting shall be valid without call or notice, and at such meeting, any corporate action may be taken.

5.04. *Notice of meetings.* Written, electronic or printed notice stating the place, day, and hour of any meeting of members shall be delivered, either personally, via fax or other electronic method, or by mail or publication in the Association's printed or electronic communications with its members, not less than 10 days before the date of such meeting, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or these bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the members at their addresses as they appear on the records of the Association, with postage prepaid.

5.05. *Mail vote by members.* Any action which may be taken or which is required by law to be taken at a meeting of the members, may also be taken by a vote of the membership if the vote is called for by a majority of the Board and if the notice of the ballot sets forth the subject(s) to be voted on and is mailed or e-mailed to the membership at least 30 days prior to the deadline for turning in ballots.

Notwithstanding the foregoing, the directors shall be elected by mail, fax or electronic ballot by the Association membership, except for vacancies which occur between elections and which are filled by Board appointment.

5.06. *Quorum.* At any meeting of the membership, those in attendance shall constitute a quorum for the transaction of business. Quorum requirements are not necessary for mail votes.

5.07. *Proxies.* At any meeting of membership, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. A proxy may be revoked by the member executing it any time before it has been exercised.

ARTICLE VI. BOARD OF DIRECTORS

6.01. *Board of Directors powers.* The Board of Directors shall manage the property, affairs and activities of the Association. The Board shall have the power to establish dues and assessments, determine the proper disbursement of Association funds, interpret the meaning of the bylaws, make statements of policy, positions and exercise any authority necessary for the direction, supervision or control of the Association.

6.02. *Number and qualification of Board members.* The number of directors shall be set by the Board prior to soliciting nominations from the membership; and the number of Board members shall be no fewer than nine and no more than

fifteen who are elected to serve three-year terms, with the exception of the vendor representative, plus the three immediate past presidents, who serve at will. The number of vendor members serving as directors on the Board shall be limited to no more than two at any time. The term for vendor members elected by the vendor members of the association shall be one year. However, the vendor representative may be re-elected to succeed himself or herself, up to a maximum of six one-year terms. Any change in number of Board members shall require either a 2/3 majority vote of the Board or a 1/3 majority vote of the Association members voting at the annual membership meeting. Each Board member shall be a member in good standing and the voting member for the membership in the Association at the time of his or her nomination, election, or appointment, and service on the Board. Only one representative of a member organization shall serve on the Board at a time. Ex-officio members of the Board with voice and vote include the three immediate past presidents of the Board. Ex-officio members of the Board with voice but no vote include the Association's Executive Director and Legal Counsel. The vice president of the Association shall automatically be a director for the year following his or her service as vice president. The president shall automatically be a director for the year following his or her service as president and shall serve on the Executive Committee as Immediate Past President. No director may serve more than two full elected, consecutive terms as a member of the Board (except for the three immediate past presidents), and may not be re-elected to the Board without the passage of twelve months off the board.

6.03. *Term of office.* The term of office for a director shall be for three years except for the three immediate past presidents who shall serve from year to year. The Board shall be elected in July of each year. There shall be a meeting of both the prior Board and the newly-elected Board no later than October 1 of each year. Any business transacted at the final meeting of the outgoing Board shall be voted on by the outgoing Board only and any business transacted at the first meeting of the incoming Board shall be voted on by the incoming Board only.

6.04. *Nomination and election of directors.* Any member in good standing designated as the voting member for the membership, as well as the Nominating Committee, may make nominations for directors. The Board shall communicate to the membership the Nominating Committee's recommendations for board candidates approved by the Board. Nominations may be made in writing or electronically, or at a regular meeting of the membership as determined by the Board. Electronic balloting may be used. Each member may cast one vote for each vacancy on the Board. Ballots shall be tabulated and certified as determined by the Board. The results of the election shall be announced at the Association's next membership meeting and/or through written communication to the membership.

6.05. *Resignation of a director.* A director may resign at any time by giving written notice to the Board. The resignation shall take effect at the time specified or, if no time is specified, at the time of acceptance by the Board. A director who resigns from the Board for reasons other than personal health, family illness, or family death is not eligible for reelection or appointment to the Board for a period of three (3) years from the date of resignation without unanimous approval of the Board or a 2/3 majority vote of the members voting at the annual membership meeting, reinstating his or her eligibility.

6.06. *Removal of a director.* A director may be removed by a majority vote of members of the Association or a two-thirds (2/3) majority vote of the Board for good cause. Good cause may include but shall not be limited to (1) excessive non-attendance at board meetings, and/or (2) illegal or unethical conduct by the director in the judgment of the Board. A director may be removed by the Board if the director has lost "good standing" status under Section 4.10, and shall be removed if his membership has been terminated. Whether an absence is excused is the decision of the Board. If a director is removed under authority of this section, the director may not be elected or appointed to the Board for a period of three (3) years from the effective date of the director's removal unless a 2/3 majority of the Board has granted approval for the removed director to stand for nomination, election, and service on the Board.

6.07. *Vacancies.* Any vacancy occurring in the Board, and any directorship to be filled by reason of an increase in the number of directors, shall be filled by the Board. A director appointed to fill a vacancy shall serve for the unexpired term of his or her predecessor in office, after which he or she must be elected by the membership in a regular election.

6.08. *Regular meetings.* A joint meeting of both the prior Board and the newly elected Board shall be held in September of each year. A meeting of the new Board shall be held thereafter no later than October 1 of each year, except in unusual circumstances. Unless otherwise provided by the Board, the president shall determine the time and place for the holding of additional regular meetings of the Board.

6.09. *Special meetings.* Special meetings of the Board may be called by or at the request of the president or any three (3) directors. The person or persons authorized to call special meetings of the Board may fix the time and place for holding any special meetings of the Board called by them.

6.10. *Notice.* Notice of any special meeting of the Board shall be given at least 5 days previously thereto by written notice sent by mail, fax, or other electronic means to each director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director 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 need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

6.11. *Quorum.* A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board; if less than a majority of the directors are present in person or telephonically at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. The past presidents serving on the Board shall count for a quorum and not against a quorum.

6.12. *Voting.* The act of a majority of the directors present, in person or by written proxy given to another Board member, at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by these bylaws. However, in order to encourage attendance in person at Board meetings, a Board member may not be represented by proxy more than once in any 12 month period of service. An electronic vote from a Board member on a motion made at a Board meeting shall be permitted if: (1) the meeting was a duly called Board meeting, (2) all Board members not attending the meeting were timely sent the required advance notice of the meeting, (3) a quorum of the Board was present at the meeting, (4) all Board members in attendance at the meeting supported the motion, (5) all non-attending board members were provided a written copy of the motion within one week after the Board meeting, and (6) the Board member(s) voting on the motion by fax or other electronic method after the meeting did so within two weeks after the meeting.

6.13. *No compensation.* Directors as such shall not receive any stated salaries for their services, but by resolution of the Board, reimbursement for actual and reasonable expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board. However, nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving compensation upon prior approval of the Board. If included within the then-current budget duly adopted by the Board and if prior authority of the president has been given before the expense is incurred, a Board member may be reimbursed for actual and reasonable travel and other expenses incurred by the Board member in conducting Association business.

6.14. *Informal action by directors.* Board meetings may take place by conference call or other electronic means. Additionally, any action to be taken at a meeting of directors including those actions required by law to be taken at a meeting, may be taken without a meeting if a consent in writing setting forth the action so taken shall be approved by at least 75% of the directors in writing or by fax or other electronic method; however, any director may require the president to schedule a telephone or web-based conference in lieu of a fax or electronic vote.

6.15. *Liability limitation.* A director is not liable to the Association or its members for monetary damages for an act or omission in his or her capacity as a director except for: a breach of the director's duty or loyalty to the Association or its members; an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; a transaction from which the director receives the improper benefit whether or not the benefit resulted from an action taken within the scope of the director's office; or an act or omission for which liability of the director is expressly addressed by statute.

6.16. *Insurance.* The Association shall purchase public liability insurance and non-owned automobile insurance in reasonably prudent coverage amounts. The Association shall purchase Directors and Officers (D&O) liability insurance unless the Board, by a two-thirds (2/3) majority vote, chooses not to purchase such insurance. Any decision to purchase or not purchase D&O insurance must be made no less than annually.

6.17. *Disclosure of financial relationships with the Association.* At all times during a Board member's membership on the Board, the Board member shall disclose in letter form to the Board any financial relationship that the Board member has with the Association, including monies paid to the Board member by the Association (other than travel expenses referred to in Section 6.13) and monies paid to the Association (other than reimbursement for authorized expenses incurred in the performance of duties as a member of the Board). Such disclosure statements shall be available for inspection by any member of the Association.

6.18. *Executive Director of the Association.* The Executive Director of the Association may not be hired or fired without prior approval of the Board at a regular or special meeting.

ARTICLE VII. OFFICERS

7.01. *Officers.* The officers of the Association shall be the president, the immediate past president, the vice president, the secretary, the treasurer and such other officers as may be elected by the Board in accordance with the provisions of this Article. All officers shall be Board members. The Board may elect or appoint such other officers, including one or more assistant secretaries or one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board. No two offices may be held by any person. The immediate past president need not be an elected Board member. All other officers must be elected Board members. The vice president shall be considered the president-elect and shall automatically be president during the year following his or her year as vice president. All other officers shall be elected by the Board after nomination by the Nominating Committee. All officers shall be legal residents of the State of Texas at the time of their election, and must be a legal or beneficial owner or manager of a self-storage property in Texas.

7.02. *Election and term of office.* The officers of the Association shall be elected annually by a majority of the new Board at their first regular meeting (not the joint meeting of the prior and new Board). The terms of their office shall be from October 1st to September 30th of the following year for a one-year term. New offices may be created and filled at any meeting of the Board. Each officer shall hold office until his successor has been duly elected. Except in unusual circumstances, at the end of the president's term of office, he or she should normally be succeeded in office by the vice president. Except in unusual circumstances, the president may not be elected to succeed himself unless his initial term was a partial term due to the death, resignation, disqualification, or removal of the prior president.

7.03. *Removal.* Any officer elected or appointed by the Board may be removed from office by a 2/3 majority vote of the Board whenever in its judgment the best interests of the Association would be served thereby.

7.04. *Vacancies.* A vacancy in any office except the president, because of death, resignation, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term by election at the next scheduled Board meeting. A vacancy in the office of the president for any reason shall be filled by the current vice president for the unexpired portion of the term.

7.05. *Immediate past president.* The immediate past president shall automatically remain on the Board for one year following his or her term as president, as a voting member of the Board. The immediate past president shall be considered a voting board member and an officer of the Association for purpose of these bylaws.

7.06. *President.* The president shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The president shall preside at all meetings of the members and of the Board. The president may sign, with the secretary or any other proper officer of the Association authorized by the Board, any deeds, mortgages, bonds, contracts or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these bylaws or by statute to some other officer or agent of the Association; and in general he shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board from time to time.

7.07. *Vice president.* In the absence of the president at an Association or Board meeting or in the event the president is unable to act due to physical disability, the vice president shall perform the duties of the president. The vice president shall perform such other duties as from time to time may be assigned by the president or Board.

7.08. *Treasurer.* The treasurer shall have charge and custody of and be responsible for all funds and securities of the Association, and in general perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned by the president or Board. The treasurer shall prepare, with the assistance of the Finance Committee, a recommended budget for the Association and submit same to the Board no later than 45 days before the beginning of the next fiscal year. The treasurer shall be responsible for assuring the maintenance of required fidelity bonds and resolutions relating to signature requirements for check writing, transferring of funds, etc. By vote of the Board, duties to be performed by the treasurer under this section may be delegated to staff of the Association.

7.09. *Secretary.* The secretary shall keep the minutes of the meetings of the members and of the Board and ensure that the minutes are kept in one or more books provided for that purpose; ensure that all are given notices in accordance with

the provisions of these bylaws or as required by law; ensure the proper care and custody of the corporate records and of the seal of the Association; ensure that a register of the address of each member shall be furnished to the secretary; and, in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the Board. By vote of the Board, duties to be performed by the secretary under this section may be delegated to staff of the Association.

7.10. *Assistant treasurers and assistant secretaries.* The assistant treasurers and assistant secretaries in general shall perform such duties as shall be assigned to them by the treasurer or the secretary or by the president or the Board. Assistant treasurers and assistant secretaries shall be appointed by the Board.

7.11. *Fidelity bonds.* All officers and other persons having money handling, credit card debiting and crediting, and check writing or withdrawal authority shall be covered by a fidelity bond at the Association's expense.

ARTICLE VIII. COMMITTEES

8.01. *Committees.* The president, with approval of the Board, shall appoint chairs of standing committees, to the extent that chairmanship of such committees is not designated by these bylaws. The president, with approval of the Board, shall designate and appoint one or more committees, each of which shall consist of one or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board in the management of the Association. Standing committees of the Association shall include:

a. *Executive Committee.* The Executive Committee shall consist of the president, immediate past president, vice president, treasurer and secretary. The Executive Committee may act for the Association in the absence of sufficient time to convene a meeting of the Board to address association business of an emergency nature. The Executive Committee may not take action on personnel matters, budgeting matters, or amendments to the bylaws, unless the Committee is given specific authority by a majority of the Board members at a regular or specially called Board meeting. In order to take action, fax, e-mail or telephone notice must be sent or given to each committee member. Action by the committee requires the approval of three (3) or more committee members. The president shall be chair of the Executive Committee.

b. *Legislative Committee.* The Board shall be a Legislative Committee of the whole. In the absence of sufficient time to convene a meeting of the committee, members of the Association appointed by the Board shall constitute a Government Affairs Committee for the purpose of making legislative-related decisions.

c. *Finance Committee.* The Finance Committee shall consist of the treasurer (chair) and at least two other Association members who may or may not be Board members. The committee shall prepare recommendations to the Board regarding budgets and related financial matters.

d. *Nominating Committee.* The Nominating Committee shall be charged with nominating qualified persons to serve as Directors and Officers of the Association. As such, it will operate as a Standing Committee. The Chair will be the immediate past president and at least two other members of the Board of Directors appointed by the president and approved by a majority of the Board. The Nominating Committee shall make nominations for election to the Board, and any Association member in good standing may make nominations as well. The Nominating Committee shall prescribe a questionnaire for all nominees for the purpose of (1) verifying that a person nominated is eligible under the bylaws to be placed on the ballot, and (2) getting information to accompany the ballots. In order for a nominee to be considered for the ballot, a person must complete the questionnaire, be eligible for election under the bylaws, and agree to commit to the time and service responsibilities of being a member of the Board, if elected. The Nominating Committee should recommend only those individuals who appear to be working in the best interest of the Association and the self-storage industry.

e. *Limitations of Committees.* No such committee shall have the authority of the Board in reference to amending, altering, or repealing the bylaws; electing, appointing, or removing any member of any such committee or any director or officer of the Association; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another Association; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Association; or amending, altering, or repealing any resolution of the Board which by its terms provided that it shall not be amended, altered, or repealed by such committee and the delegation of authority shall not operate to relieve the Board, or any individual director, of any responsibility imposed on it or him by law.

8.02. *Other committees.* Other committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the Association and the president of the Association shall appoint the members. Any member may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Association shall be served by such removal.

8.03. *Term of office.* Each member of a committee shall continue as such until the expiration of the period designated by the Board or next annual meeting of the members of the Association and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member.

8.04. *Chair.* One or more members of each committee shall be appointed chair or co-chairs by the person or persons authorized to appoint the members.

8.05. *Vacancies.* Vacancies in membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

8.06. *Quorum.* Unless otherwise provided in the resolution of the Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

8.07. *Rules.* Each committee may adopt rules for its own government not inconsistent with these bylaws or with rules adopted by the Board.

ARTICLE IX. ADMINISTRATION

9.01. *Contracts.* The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

9.02. *Checks and drafts.* All checks, drafts, or 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 resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the treasurer or any assistant treasurer and countersigned by the president or vice president of the Association.

9.03. *Deposits.* All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

9.04. *Gifts.* The Board may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purpose or for any special purpose of the Association.

ARTICLE X. MISCELLANEOUS

10.01. *Membership contract.* These bylaws shall be enforceable by the Association and/or its members; and the bylaws, as amended from time to time, shall be deemed a binding contractual agreement between the Association and each member until such time as the member's membership in the Association ceases, subject to (1) the member's liability for dues and other sums due the Association at the time membership ceases, and (2) the provisions in Sections 17.02, 18.01, and 19.01(e) through (h) which shall continue for a period of 21 years after the member's membership ceases.

ARTICLE XI. BOOKS AND RECORDS

11.01. *Books and records.* The Association shall, at its registered or principal office, keep correct and complete books and records, minutes of the proceedings of its members and Board, and the names and addresses of all members. All books and records of the Association may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time. An annual independent audit of the Association's financial records shall be conducted.

ARTICLE XII. FISCAL MATTERS

12.01. *Fiscal year.* The fiscal year of the Association shall be such as the Board shall adopt.

12.02. *Budget.* The Board shall adopt a budget annually, prior to the next fiscal year.

12.03. *Expenditures.* Without prior specific Board approval, Association funds may be expended only if the expenditure is authorized in the budget and is within the historical scope of past expenditures. The Board shall adopt appropriate safeguards for check writing and safekeeping of Association funds.

ARTICLE XIII. DUES AND CHARGES

13.01. *Annual dues and other charges.* The Board shall determine from time to time, by a 2/3 majority vote, the annual dues structure for the various membership categories. The Board shall determine from time to time, by a simple majority vote of the Board, the amount of initiation fees, reinstatement fees, official form prices, charges for additional plaques or logos, charges for additional copies of publications, special assessments, and other sums payable to the Association by members in each membership category. The then-current schedule of dues and other charges shall be made available to the membership and general public at all times. If a member falls into more than one membership category, the member's dues shall be the highest dollar amount resulting from calculating dues under each category. In that event, the member will not have to pay dues on multiple categories, but the member will still have membership privileges as a member in all such categories.

Annual dues of owner members shall be based on the number of facilities owned in Texas. Annual dues of management company members shall be based on the number of facilities managed. Ownership dues per facility shall be the same for owner members and management company members. For purposes of this provision, an owner owns a facility if the owner directly or indirectly owns all or part of the facility.

13.02. *Additional magazines, plaques, logos, and Goldbooks®.* A member in good standing shall be entitled to a free plaque, logo, and magazine subscription per facility for which dues are paid. The Board shall set a schedule of charges for additional plaques, logos, and magazine subscriptions requested by the owner. Each owner member and management company member in good standing shall be entitled to a *Goldbook®* at each publication at a price to be determined by the Board. The Board may provide a *Goldbook®* free to each owner member and management company member, at the Board's option.

13.03. *Due date.* All new members joining shall pay a full year's dues. All dues and other sums payable by a member to the Association are due by the expiration date, and notices of dues renewals will be sent at least 30 days before expiration. The Board shall establish late payment charges for late payment of any sum due the Association.

13.04. *Payment of dues.* Dues shall be payable in advance, invoiced at least 30 days before the end of the renewal period each year. The annual dues shall cover a membership period of 12 months. If dues are not received within 15 days after the last day of the renewal term, the membership shall be suspended, and a late or reinstatement fee as established by the Board may be assessed to reinstate the membership. Dues, fees, special assessments, and other sums due the Association shall be collected by the treasurer of the Association or the staff of the Association as directed by the Board, from time to time. Dues and other sums paid by the member shall not be rebated if a member's membership is terminated for any reason.

13.05. *Nonpayment.* If a member fails to pay monies due by the member to the Association, the member is subject to loss of good standing or removal from the membership rolls in accordance with Sections 4.10 through 4.12 of these bylaws.

RTICLE XIV. SEAL AND LOGO

14.01. *Seal and Logo.* The Board shall provide for a corporate seal and an Association logo.

ARTICLE XV. WAIVER OF NOTICE

15.01. *Waiver of notice.* Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or the bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XVI. INDEMNIFICATION AND HOLD HARMLESS AND LIMITED LIABILITY OF BOARD MEMBERS

16.01. *Indemnification and hold harmless.* Every officer, director, attorney, and employee of the Association shall be immediately indemnified by TSSA against all expenses and liabilities including counsel fees reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party, or at which they may become involved by reason of being or having been in such position, or any settlement thereof whether the person is in such a position at the time such expenses are incurred. Such indemnification shall apply except in such cases where the officer, director, or employee commits a breach of duty of loyalty to the Association or its members; an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; a transaction from which is received an improper benefit, whether or not the benefit resulted from an action taken within the scope of their office or position; an act or omission for which liability is expressly provided for by statute; or an act for which a person is finally judged liable, by due legal process, of willful malfeasance or malfeasance in the performance of their duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such position may be entitled. Each member of the Association shall hold the Association and every officer, director, attorney, and employee of the Association harmless from all suits, claims, and liabilities, arising out of or connected with the use by such member of official TSSA forms or publications of the Association. The indemnity and hold harmless obligations of this section shall continue after such member's membership ceases and shall remain in force for ten (10) years thereafter.

16.02. *Limited Liability of Board Members.* The members and former members of the Board and officers of the Association shall not be liable to any owner or any person claiming by or through any owner for any act or omission of such director or officer in the performance of his duties unless such act or omission is (1) a breach of the director's duty of loyalty to the Association or its members, (2) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of law, (3) a transaction from which a director receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office, or (4) an act or omission for which the liability of the director is expressly provided for by a statute. The Association shall indemnify all such directors and officers from all claims, demands, actions and proceedings and any expenses in connection therewith, except if such director or officer has acted in violation of the foregoing. Such insurance and any indemnification payments shall be treated as a common expense.

ARTICLE XVII. TSSA FORMS AND GOLDBOOK©

17.01. *Official TSSA forms.* The Board shall from time to time adopt official TSSA forms which are for sale to the owner members and management company members or which are included in the TSSA *Goldbook*© or provided to members through the TSSA website or in official TSSA-provided software. Otherwise, the Board shall set the sale price and other policies for sale and use of the forms, consistent with these bylaws. TSSA official forms shall be available for sale only to owner members and management company members. The TSSA *Goldbook*© shall be either sold or given to members, at the Board's option.

17.02. *Unlawful use of forms and publications.* TSSA official forms may be used by Association members anywhere in Texas (but not elsewhere), subject to the following: TSSA official forms, leases, logos, *Goldbook*©, and other copyrighted materials shall not be purchased for or used by any self-storage facility unless the facility owner or the management company, if any, representing such owner are member(s) in good standing with the Association at the time of signing the form and the facility is listed with TSSA at the time of signing of the form. All TSSA official forms are copyrighted. To assist in

the enforcement of the copyright of the TSSA lease, the codes at the bottom of each page of the computer-generated TSSA lease from the TSSA Forms Software program contains information sufficient to verify whether the lease has been unlawfully reproduced by the facility which is using the lease. Entities may be granted permission by the Board to use TSSA forms for a specified period of time on specific properties upon written request to the Association. Non-members registered for Association-sponsored seminars will be furnished a *Goldbook*© and official forms as necessary as part of the course's curriculum, upon payment of such course registration fees as may be set from time to time. The Association shall have the right to enforce this section and Section 19.01(e) through (h) which prohibits reproduction or reprinting of any publication or form which is copyrighted by the Association and which controls use of the Association's logo. Such enforcement remedy shall include, but shall not be limited to:

For members:

- (1) Written demand to the facility owner and/or the owner's management company for compliance with the bylaws; and
- (2) Termination of a member's membership;

For members and non-members:

- (1) Suit for injunction and/or statutory damages which shall in no event be less than \$5,000;
- (2) Recovery of attorneys fees and all other costs incurred by the Association in enforcement, regardless of whether suit is actually filed; and
- (3) Interest on such damages from the date of judgment at the highest lawful rate, compounded annually.

ARTICLE XVIII. ATTORNEYS FEES AND VENUE

18.01. *Attorneys fees.* In any litigation between the Association and its directors, officers, attorneys, employees, members, or former members based on obligations arising under the bylaws and in any litigation in which a person is suing or being sued in his or her capacity as a current or former director, officer, attorney, or employee of the Association, the prevailing party shall have the right to recover reasonable attorneys fees, plus all costs of litigation against the non-prevailing party. Any sums found due and owing in such litigation shall bear interest at the maximum lawful rate, compounded annually, from due date. All sums due and owing to the Association by members and all other obligations of members shall be payable and/or performable in Travis County, Texas; and venue for any litigation under the bylaws shall be in Travis County, Texas.

ARTICLE XIX. CODE OF ETHICS

19.01. *Code of Ethics.* The members of the Association shall abide by these bylaws and by the following code of ethics. Each member of TSSA shall:

- (a) Promote and maintain a high standard of integrity in the performance of all rental obligations and services in the operation of self-storage facilities or related businesses;
- (b) Maintain and operate their business in accordance with fair and honorable standards and in compliance with the TSSA bylaws;
- (c) Strive continually to promote the education and fraternity of the membership and to promote the progress and dignity of the self-storage industry in maintaining a positive image of itself in order that the public may be better served;
- (d) Refrain from attempting to obtain customers through means of deceptive, misleading, or fraudulent statements, misrepresentations, or the use of implications, unwarranted by fact or reasonable probability;
- (e) Not use the TSSA logo on forms other than the official TSSA Self-Service Storage Rental Agreement and related forms or give an incorrect impression that a form is approved by TSSA when it is not approved;

(f) Not reproduce or reprint any form or publication which is copyrighted by TSSA, with exception that (i) a form has been filled in and signed may be copied, (ii) a form that has been marked through on each page and contains the phrase “Sample Form—Void if filled in or signed,” may be reproduced; and (iii) any form contained in the TSSA *Goldbook*© may be copied if expressly allowed in the *Goldbook*© and the person or firm using such form is a member in good standing at the time the form is copied and used;

(g) Not use any unlawfully reproduced or reprinted TSSA form or publication;

(h) Use the TSSA-member logo on stationery, advertising, or other business related items *only* as long as the member is in good standing and membership dues are paid. This logo, distinguished from the official TSSA organizational logo by the additional word “Member,” is available to the members from TSSA, and is also printed in the back of the current *Goldbook*©. Other uses of the TSSA logo may be authorized, from time to time, by the Board. Such use of the logo is limited to members in good standing of the Association; and

(i) Abide by all national, state, and local laws of every kind and nature.

19.02. *Conflicts of interest and business relationships.*

(a) Members of the Board of the Association are experienced and knowledgeable in many areas directly or indirectly related to the self-service storage business. Those characteristics are great assets to the Association; and on occasion, they can also give rise to conflicts of interest or the appearance of conflicts of interest. All Board members, their family members, and their business associates need to conduct themselves so as to avoid conflicts of interest with the activities, policies, operations, and interests of the Association.

(b) It is permissible for Board members, their families, and their business associates to have business relationships with the Association in which a Board member may have a direct or indirect monetary benefit. Such business relationships may in fact be perfectly legitimate and in the best interest of the Association; but they need to be promptly disclosed in the interest of fairness, appearances, and compliance with the Board member's fiduciary relationship with the Association.

(c) A Board member should therefore timely inform the remaining Board members and should abstain from voting on issues relating to (1) such business relationships, and (2) apparent or actual conflicts of interest.

(d) All staff employed by the Association should likewise disclose to the Board (1) any business relationship between the Association and the staff, his or her family members, or business associates (other than employment by the Association), and (2) any potential or actual conflicts of interest between the Association and staff or between the Association and any Board member (if same has not been already disclosed by the Board member).

(e) Notices can be by letter to the Board or by verbal notice at a Board meeting, with the notice and any abstentions recorded in the minutes.

ARTICLE XX. DISSOLUTION

20.01. *Dissolution.* Upon dissolution of the Association, any funds remaining shall be distributed to one or more qualified charitable or educational non-profit organization(s) to be selected by the Board. No part of the funds shall be distributed to the members of the Association.

ARTICLE XXI. AMENDMENTS TO BYLAWS

21.01. *Amendments to bylaws by the Board.* These bylaws may be altered, amended, or repealed, and new bylaws adopted by an 80% majority of all directors present at any regular or special meeting of the Board of Directors, provided that at least five (5) days written notice is given of any intention to alter, amend, or repeal these bylaws or to adopt new bylaws at such meeting.

21.02. *Amendments to bylaws by the Association membership.* The bylaws may also be amended by a 2/3 majority vote of the members in attendance at an Association general membership meeting if at least 30 days written notice is given of an intention to alter, amend, or replace these bylaws or to adopt new bylaws at such meeting.