



<p style="text-align: center;"><u>BYLAWS</u></p> <p style="text-align: center;">NATIONAL STORM SHELTER ASSOCIATION</p>
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These bylaws amend and supersede bylaws of NSSA dated 7/01/02 and 8/02/04

ARTICLE I – MEMBERSHIP

1.1 MEMBERSHIP GRADES

Membership grades in the National Storm Shelter Association (“NSSA” or the “Association”) shall include MEMBER, Associate Member, Professional Member, Allied Member, Corporate Sponsor, and Individual Sponsor (all references to “member” herein shall be deemed to include all membership grades unless the same is set in total capitalization (i.e., MEMBER), which shall bear the meaning as provided in Section 1.2 hereof).

1.2 MEMBER

The membership grade of MEMBER in NSSA shall be open to any person, firm, association, corporation, limited liability company, or partnership that is engaged in the manufacture or construction of storm shelters and that:

- (a) accepts primary responsibility for compliance with the NSSA-approved standard (the “Standard”);
- (b) subscribes to the Association Bylaws (which includes a Code of Ethics) and the Standard;
- (c) submits a signed MEMBER Pledge to the Association;
- (d) has submitted an application to the Association for review by the Membership Committee of the NSSA (the “Membership Committee”) and approval by the Board of Directors of the NSSA (the “Board of Directors”); and
- (e) remains current in the payment of Association dues.

Each MEMBER shall be entitled to one vote for each issue or activity requiring a vote of the Association membership.

1.2.1 MEMBER Application Forms Applicants for the grade of MEMBER are required to complete a MEMBER Application Form that is used by the Membership Committee to determine applicants' eligibility for membership.

1.2.2 MEMBER Pledge Each MEMBER applicant is required to sign a MEMBER Pledge (in a form acceptable to the Board of Directors) stating that the MEMBER'S firm shall manufacture, install, construct, and sell only those storm shelter products that meet or exceed the requirements of the Standard as are verified by NSSA-approved testing and evaluation agencies. Execution of the MEMBER Pledge by a prospective MEMBER is a condition of acceptance into NSSA membership by the Board of Directors.

1.2.3 Inspection of MEMBER Pledges The MEMBER Pledge of each MEMBER and former MEMBER, along with the dates of membership in the Association, is available for public inspection during normal business hours at the Association office.

1.2.4 Request for Services Applicants for the grade of MEMBER are required to submit, as part of the application, signed **Request for Services** forms (provided by NSSA) requesting that each storm shelter product manufactured, installed, constructed, and/or sold by the MEMBER be tested and evaluated by NSSA-approved agencies for compliance with the Standard.

1.2.5 Liability Insurance Each MEMBER of NSSA is encouraged to carry liability insurance to protect company assets and to name NSSA as an additional insured.

1.2.6 Compliance with Bylaws MEMBERS are required to comply with **ARTICLE IV – DUTIES OF ASSOCIATION MEMBERS**

1.3 ASSOCIATE MEMBER

Shelter component suppliers, fabricators, installers, and persons, firms, corporations, limited liability companies, or partnerships that are engaged in the shelter industry, but who do not have primary responsibility for shelter compliance with the Standard, and who subscribe to the Bylaws and the Standard shall be eligible for Associate Membership in the Association. Prospective Associate Members must submit a written application (on a form provided by the Association) to the Association. Associate Membership is granted upon approval by the Board of Directors of such Associate Member's application and by paying the Associate Member dues. Associate Members shall enjoy all privileges of active membership, including attendance and participation at regular and special meetings, but they shall have no vote except as follows:

1.3.1 Associate Members appointed by the President to serve on any committee of the Association shall have the same vote as other committee members in the votes of that committee.

1.3.2 Associate Members may propose one director for the Board of Directors described in **ARTICLE VIII – BOARD OF DIRECTORS**. This representative shall be selected for nomination to the Board by vote of a majority of the Associate Members present at the meeting and elected to the Board by the Board of Directors at the annual meeting or as otherwise provided in Section 8.1.1.

1.4 PROFESSIONAL MEMBER

Design professionals including, but not limited to, engineers or architects registered in their respective states and who subscribe to the Bylaws and the Standard shall be eligible for Professional Membership in this Association. Prospective Professional Members must submit a written application (on a form provided by the Association) to the Association. Professional Membership is granted upon approval by the Board of Directors of such Professional Member's application and by paying the Professional Member dues. Professional Members shall enjoy all privileges of active membership, including attendance and participation at regular and special meetings, but they shall have no vote except as follows:

1.4.1 Professional Members appointed by the President to serve on any committee of the Association shall have the same vote as other committee members in the votes of that committee.

1.4.2 Professional Members may propose one director for the Board of Directors described in ARTICLE VIII – BOARD OF DIRECTORS. This representative shall be selected for nomination to the Board by vote of a majority of the Professional Members present at the meeting and elected to the Board by the Board of Directors at the annual meeting or as otherwise provided in Section 8.1.1.

1.5 ALLIED MEMBERS

Educational institutions, service organizations, and non-profit firms, corporations, limited liability companies, partnerships, or agencies that engage in or desire to assist in extending the plans and programs of the Association and subscribe to the Bylaws of the Association shall be eligible for Allied Membership in this Association. Prospective Allied Members must submit a written application (on a form provided by the Association) to the Association. Allied Membership is granted upon approval by the Board of Directors of such Allied Member's application. Allied Members shall enjoy all privileges of active membership, including attendance and participation at meetings of the Board of Directors, but they shall have no vote except as follows.

1.5.1 Allied Members appointed by the President to serve on any committee of the Association shall have the same vote as other committee members in the votes of that committee.

1.6 CORPORATE SPONSOR

Companies, firms, corporations, limited liability companies, or partnerships that have business interests in the shelter industry and/or who desire to assist in extending the plans and programs of the Association shall be eligible for Corporate Sponsor membership. Examples of Corporate Sponsor Membership include hardware manufacturers, ready mix concrete companies, homebuilder associations, and testing laboratories. Prospective Corporate Sponsors Members must submit a written application (on a form provided by the Association) to the Association. Corporate Sponsor Membership is granted upon approval by the Board of Directors of the Corporate Sponsor Member's application and payment of Corporate Sponsor dues.

A number of related affiliates may become Corporate Sponsors under one membership and qualify for group rates on dues. Corporate Sponsor members shall enjoy all privileges of active

membership, including attendance and participation at meetings of the Board of Directors, but they shall have no vote.

1.7 INDIVIDUAL SPONSORS

An individual who supports the purpose and mission of NSSA may become an Individual Sponsor by making application and making a minimum annual contribution specified by the Board of Directors. Individual Sponsors shall enjoy all privileges of active membership, including attendance and participation at regular and special meetings, but they shall have no vote.

1.8 MEMBERSHIP DUES

Membership dues shall be established on an annual basis by the membership at the annual or special meetings of the Association Board of Directors. Should the Board of Directors fail to establish membership dues, then the member dues shall remain in the amount of the most recently assessed dues.

1.9 MEMBERSHIP FEES

Initiation, matriculation, enrollment, reinstatement or such other fees as approved by the Board of Directors shall be allowed under these Bylaws. The Board of Directors shall set the fees and the reasons for the fee structures.

1.10 POLICY ON PROHIBITED PERSONS

1.10.1 It is the policy of this Association, that no Member, Associate Member, Professional Member, Allied Member, Corporate Sponsor or Individual Member, herein collectively referred to as "Member", nor to any Member's knowledge, any of the Member's respective officers, directors, shareholders, partners, members or associates, and no other direct or indirect holder of any equity interest in a Member is an entity or person (i) that is listed in the Annex to, or is otherwise subject to the provisions of the United States Presidential Executive Order 13224 issued on September 24, 2001 ("Executive Order"); (ii) whose name appears on the U.S. Department of the Treasury, Office of Foreign Assets Control's ("OFAC") most current list of "Specifically Designated National and Blocked Persons" (which list may be published from time to time in various mediums, including but not limited to, the OFAC website, www.treas.gov/ofac/; (iii) who commits, threatens to commit or supports "terrorism," as that term is defined in the Executive Order; or (iv) who is otherwise affiliated with any entity or person listed above (any and all parties or persons described in clauses (i) through (iv) above are herein referred to as a "Prohibited Person").

1.10.2 Upon becoming a Member, each Member covenants and agrees to use commercially reasonable efforts to ensure that neither the Member, nor any of its respective officers, directors, shareholders, partners, members or associates, and no other direct or indirect holder of any equity interest in the Member will (a) conduct any business, engage in any transaction or dealing, with any Prohibited Person, including, but not limited to, the making or receiving of any contribution or funds, goods, or services, to or for the benefit of a Prohibited

Person; or (b) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the provisions set forth in the Executive Order or the Uniting and Strengthening of America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

1.10.3 This Policy on Prohibited Persons is intended to assist the Association and its Members in Executive Order and OFAC compliance and risk management.

ARTICLE II – OBLIGATIONS OF MEMBERS AND THE ASSOCIATION

2.1 OBLIGATIONS OF MEMBERS – To maintain quality in the shelter industry and to uphold the credibility of the Association, members are obligated to:

2.1.1 Work to achieve a high level of competence in the shelter industry and render a high level of competent service to the industry and to the Association.

2.1.2 Keep themselves informed on laws, proposed legislation, governmental regulations, and current market conditions affecting the industry so that they may be able to contribute responsibly to public policies and current market conditions.

2.2 DELINQUENT DUES

The Association shall send a bill for dues to all members once each year approximately one month prior to the anniversary date of their joining NSSA. In the event payment of dues is not received within sixty (60) days of the anniversary date, the member shall be deemed delinquent and all membership privileges forfeited without notice or hearing. Delinquent members seeking reinstatement, must do so in writing. Payment of delinquent dues will be required for reinstatement.

2.3 REVOKING MEMBERSHIP

2.3.1 The Board of Directors may revoke the membership of any NSSA member for any violation of these bylaws, in the sole and absolute discretion of the Board of Directors. The President of the Association may appoint a special committee or charge a standing committee of the Association to investigate allegations against a member and to recommend actions to the Board of Directors.

2.3.2 Upon receipt of a committee report recommending removal of a member from the Association, the Board of Directors shall send written notice pursuant to Article VII of these Bylaws to the member whose membership is under investigation that at the next scheduled meeting of the Board of Directors, or at a duly called special meeting, a hearing on the member's membership status will be conducted unless hearing is waived in writing by such member.

2.3.3 After notice and hearing, the Board of Directors shall vote on the membership of the member and the membership of such member shall be terminated upon a seventy five percent vote of the Board of Directors.

2.3.4 Where life-threatening or dangerous deviations from the Standard are shown to exist, the President may require the MEMBER to notify owners of deficiencies as per Section 5.2.3.2. If a MEMBER is removed for non-compliance with the Standard, the Association shall make reasonable efforts to insure that all owners of shelters purchased from the former MEMBER are contacted, informing them of potential risks of using the shelters.

ARTICLE III -- CODE OF ETHICS

3.1 THE CODE OF ETHICS We, the members of the Association, recognize our responsibility to the public and to our fellow members, and do hereby adopt and pledge ourselves to this Code of Ethics (the "Code of Ethics").

3.1.1 It is the duty of the members of this Association to protect the public against fraud, deception, misrepresentation and unethical practices in the storm shelter industry. Members are expected to eliminate from their own business any practices that could be detrimental to the public or bring discredit to the storm shelter industry or the Association. The members shall cooperate with and assist all pertinent governmental agencies charged with regulating the practices and operations of the storm shelter industry.

3.1.2 Each member shall be responsible for compliance with the Code of Ethics by his agents, officers, managers, contractors, successors or employees. The member shall be deemed responsible for a Code of Ethics violation by his agent, officers, managers, contractors, successors or employee even where the member may not have had any knowledge of such violation.

3.1.3 Members shall avoid exaggeration, misrepresentation or concealment of pertinent facts relevant to the public at large or the Association and its members.

3.1.4 Members of the Association shall not be a party to any plan or agreement to discriminate against a person or persons on the basis of race, creed, color, religion, sex, handicap, familial status or national origin.

3.1.5 If a member is accused of unethical practice or is asked to present evidence in any NSSA investigation or hearing, the member shall place all pertinent facts before the proper committee of the Association on a time frame established by the committee.

3.1.6 All members shall at all times present a true picture in advertising and representation to the public concerning products and services offered.

3.1.7 Members are expected to be loyal to the Association and its Board of Directors and to be active in its work.

3.2 THE ETHICS COMMITTEE

3.2.1 Ethics Committee Structure The President shall appoint an Ethics Committee to serve, subject to the will of the Board, on an annual basis or until their successors are appointed. The Ethics Committee should preferably consist of not less than three (3) MEMBERS, including the chairman, and, in addition, may include one Associate Member and one Professional Member. Members of the Ethics Committee may be reappointed for additional terms. The Ethics Committee will be responsible directly and solely to the Board of Directors. The Ethics Committee shall have the authority to discharge responsibilities inherent in administering the Code of Ethics and the authority to carry out additional responsibilities assigned by the President. The Ethics Committee shall be guided by ARTICLE VII – INVESTIGATIONS AND HEARINGS in carrying out its responsibilities. Reference made herein to “member” (vis-à-vis “MEMBER”) refers to any category of membership in NSSA.

The primary purpose of the Ethics Committee is to facilitate the adherence by members to the Code of Ethics. If, after an investigation and hearing, the member declines to take corrective action as recommended by the Ethics Committee, the Ethics Committee shall execute the provisions of Section **3.3.3**.

3.2.2 Ethics Committee Involvements

3.2.2.1 The Ethics Committee shall consider cases assigned to it by the President that may constitute violations of the Code of Ethics. Cases might include, but are not limited to, providing false information on a Certificate of Installation, violation of a cease and desist order relating to storm shelters that are not in compliance with the Standard, violation of the MEMBER Pledge, unauthorized use of a NSSA Seal, flagrant or repetitive neglect of duty (as defined in ARTICLE IV – DUTIES OF ASSOCIATION MEMBERS).

3.2.2.2 A member’s lack of response or cooperation with the Ethics Committee in dealing with ethics issues may be regarded as non-compliance with the Code of Ethics and may result in disciplinary action. Matters involving administration and enforcement of the Standard shall not be within the scope of the Ethics Committee.

3.2.2.3 The Ethics Committee shall afford all parties involved in cases being considered the opportunity to be fully heard. All members of the Association shall cooperate with the Ethics Committee in its inquiries and deliberations.

3.2.3 Additional Functions of the Ethics Committee The Ethics Committee shall answer, as promptly as possible, all questions posed by members of the Association relating to the Code of Ethics, and their administration and, when appropriate, may suggest for consideration by the Board of Directors new regulations, definitions, or other implementations and amendments to more fully give effect thereto.

3.2.4 Excuse from Ethics Committee Service During their term, Ethics Committee members shall not participate in any proceedings brought against or in any way involve such committee member personally, or such committee member’s company, employees, or agents.

3.3 Powers of Authority Vested in Ethics Committee

3.3.1 The powers to interpret and administer the provisions of the Code of Ethics shall be vested in the Ethics Committee, which is appointed by the President each year.

3.3.2 The Ethics Committee shall make recommendations to the Board of Directors for amendments to the Code of Ethics and Bylaws, ARTICLE VII – INVESTIGATIONS AND HEARINGS.

3.3.3 The Ethics Committee shall make recommendations, after hearings, to the Board of Directors for the expulsion, censure, or other action to avoid expulsion of any member found in violation of the Code of Ethics, or the spirit thereof.

3.4 Amendments The Code of Ethics may be amended by a majority vote of the Board of Directors.

ARTICLE IV – DUTIES OF ASSOCIATION MEMBERS

4.1 Each Association member is required to do the following:

4.1.1 Observe the highest standards of honesty, integrity, and responsibility in the conduct of business and hold paramount the safety, health, and welfare of the public.

4.1.2 Conduct himself honorably, responsibly, ethically, and lawfully so as to enhance the honor, reputation, and credibility of the storm shelter industry.

4.1.3 Abide by the Bylaws, operating procedures, and resolutions of the Association. Should any matter regarding a member's conduct, a member's business or its operation be submitted to the Ethics Committee or any other standing committee presently in existence or to be created by the Association, the member shall cooperate with the Committee in its inquires and deliberations and abide by the decision finally reached by the Board of Directors concerning the status of membership, subject to any right of appeal that a member may have.

4.2 Each MEMBER is required to do the following:

4.2.1 Abide by the **MEMBER Pledge**.

4.2.2 Understand the requirements of the Standard. MEMBERS may request assistance from Association members or staff in understanding applicable standards and codes affecting the quality of MEMBERS' products.

4.2.3 Insure that each product that the MEMBER manufactures, installs, constructs, or sells as a storm shelter has been tested and evaluated in accordance with the provisions of the Standard and that each product meets or exceeds the requirements of the Standard.

4.2.3.1 Construction of public shelters is permitted by MEMBERS who have qualified these shelters in accordance with the Standard before construction is commenced. Public shelters

shall comply with the Standard. The Seal certifying compliance with the Standard shall be affixed per **4.2.5** on or near one primary door of the shelter.

4.2.3.2 Members constructing site-specific public storm shelters shall execute and deliver to NSSA a **Certificate of Installation** in accordance with **4.2.6** for each public shelter constructed. Where constructed under state laws requiring “threshold inspections”, copies of threshold inspection reports shall be included with the Certificate of Installation delivered to NSSA where permitted by the design engineer and state law.

4.2.3.3 A MEMBER shall take responsibility for any public storm shelter that is represented by the MEMBER as a product of the MEMBER. Where a customer builds a site-built storm shelter, as defined in Section 6.4.3, or an independent contractor builds a shelter on behalf of a MEMBER, the MEMBER or authorized representative must perform inspections to assure compliance with the Standard.

4.2.4 Establish quality assurance programs to assure that the manufacture and production of each storm shelter product produced complies with the Standard.

4.2.5 Comply with the NSSA Seal Program in which the MEMBER certifies to each customer that the storm shelter product produced by the MEMBER or his authorized agent meets or exceeds the requirements of the Standard.

4.2.6 Execute and file with the NSSA a Certificate of Installation for each storm shelter product sold, constructed, or installed. This Certificate of Installation should be filed soon after completion or installation, but not later than two months after completion or installation.

4.2.7 Keep accurate records of all storm shelters certified and sealed by the MEMBER firm and report such activities to the Association office upon the request of NSSA.

4.3 Responsibilities of MEMBERS Each MEMBER of the Association agrees to abide by the Bylaws and recognizes that the credibility of the shelter industry and of the Association requires that members be diligent in fulfilling their obligations to the Association, its members, and its customers. No MEMBER shall attempt in any way to persuade, induce, or coerce another party to violate any provision of these Bylaws. Such action on the part of a MEMBER shall be regarded as a breach of the Code of Ethics. MEMBERS shall require that their authorized officers, managers and agents (e.g., dealers and installers) become familiar with, and abide by, the provisions of these Bylaws and with the Standard.

4.4 Antitrust Policy Each member agrees to abide by the Antitrust Policy presented in this section and to follow the Antitrust Guidelines presented in **Addendum A.1**

4.4.1 It is the position of this Association that all its policies and programs shall strictly comply with all antitrust laws and similar laws and regulations of the United States of America, its individual states and other applicable jurisdictions. The Association is not to play any role whatsoever in the competitive decisions of any of its Members nor in any way restrict competition among its Members or non-member companies, customers or other trade associations. The Association does not tolerate any activities of the Association or Association related actions of its members, officers, directors, staff or employees which violate federal, state or any other jurisdiction’s antitrust regulations and laws as such actions are detrimental to the interests of the Association and are contrary to Association policy.

4.4.2 Members of the Association, upon becoming inappropriate activities are to be given guidance by the Association on the application of antitrust regulations and laws and instructed to avoid any action or conversation whatsoever that could directly or indirectly raise questions about the applicability or possible violation of the antitrust laws. Such guidance information is to be kept current on a regular basis by the Association and regularly provided to existing Members.

4.4.3 The Board of Directors of the Association will from time to time consider and pass appropriate corporate resolutions to establish plans and programs designed to give guidance to Members of the Association on the applicability of antitrust regulations and laws to the Association and its individual Members. Such plans and programs are to be updated and refreshed on a regular basis so as to keep Members of the Association current on any changes in antitrust regulations and laws.

4.4.4 The Board of Directors of the Association will from time to time consider and pass resolutions necessary to put into place necessary and appropriate corporate rules and restraints to aid in the prevention of any violation of antitrust regulations and laws by Members while engaged in Association business. Such controls are to be reviewed regularly by the Board of Directors in order to keep them up to date and current and to revise such in order to carry out the purposes of this Antitrust Policy.

ARTICLE V -- STANDARD

5.1 THE STANDARD

5.1.1 The Standard shall contain the design and performance criteria that govern the design, construction, engineering and testing evaluation, and other requirements for all storm shelter products that are manufactured, constructed, installed, and sold by each Association MEMBER subsequent to that MEMBER'S signing of the MEMBER Pledge. The NSSA industry standard may be superseded only by a standard developed for storm shelters and accredited by the American National Standards Institute (ANSI) or its equivalent. At such time that the Standard is superseded the Bylaws shall be amended to define the Standard as the latest edition of the ANSI-accredited standard which is recommended to the President by the Standards Committee and adopted by the Board of Directors in accordance with 5.1.3 and 5.1.4. The terms "Standard", "Association Standard", and "NSSA Standard" as used in these Bylaws refer to the design and performance standard which has been adopted by the Board of Directors and is defined in ARTICLE V – STANDARD.

5.1.2 The President shall appoint a Standards Committee to serve, subject to the will of the Board, on an annual basis or until their successors are duly appointed, and will provide the Standards Committee with the authority necessary to discharge the responsibilities entrusted to it in establishing, maintaining, and amending the Standard. All matters pertaining to the administration and enforcement of the Standard and the Seal Program shall be within the scope of the Standards Committee, except as provided otherwise in these Bylaws.

5.1.3 The Standards Committee shall be responsible directly and solely to the Board of Directors. The Board of Directors shall approve the Standard and all amendments thereof.

5.1.4 Amendments to the Standard shall be prepared by the Standards Committee and be subject to the approval of the Board of Directors.

5.1.5 MEMBERS shall have a six months transition period after the date of the Board of Directors' adoption of amendments to the Standard, including adoption of a new Standard per Section 5.1.1, during which time Members shall adapt their storm shelter product designs and procedures to the Standard amendments. Notwithstanding the foregoing, if the Board of Directors, in its sole discretion, determines that any amendment to the Standard requires immediate action by MEMBERS, the Board of Directors shall so notify MEMBERS of such amendment and shall designate the same as an "Emergency Amendment". MEMBERS shall adapt their storm shelter product designs and procedures to Emergency Amendments within a period prescribed by the Board of Directors upon receipt of such Emergency Amendment from the Board of Directors. If a MEMBER fails to implement such Emergency Amendment within the period prescribed by the Board of Directors, such MEMBER shall submit, in writing its explanation for such failure, whereupon the Board of Directors may grant a reasonable extension of time to implement such Emergency Amendment.

5.2 MEMBER DEVIATIONS FROM THE STANDARD

5.2.1 Duties of the Members It is the duty of each member (all grades) and of persons in the member's firm to immediately notify the President of any known or perceived deviation from the Standard by any MEMBER. Upon receiving written notice describing an alleged deviation, the President shall refer the matter to the chairman of the Standards Committee who shall give written notice of the alleged deviation and description of the alleged deviation to the MEMBER and to members of the Standards Committee. The notice shall specify a date by which the MEMBER is to respond to the Standards Committee presenting evidence to counter the allegation or acknowledging it and outlining a course of action to correct it.

5.2.2 MEMBER'S Responsibility It is the MEMBER'S responsibility to correct, as quickly as possible, any acknowledged or known deviation from the Standard of any storm shelter product and to inform the Standards Committee of corrections made or planned along with the timetable for planned corrections. If the MEMBER'S counter-evidence, actions, or plans for action satisfy the Standards Committee that no deviation occurred or that an acknowledged deviation has been corrected, then all parties involved to that point in time shall be notified of the resolution and no further action shall be taken.

5.2.3 Life Threatening Deviations Alleged deviations from the Standard that are deemed by the Standards Committee to be life-threatening or otherwise of such serious nature that they might lead to injury to shelter occupants, whether caused by a storm event or by design or construction flaws, and that are not countered or corrected to the satisfaction of the Standards Committee shall be reported to the President for further action. The Standards Committee may recommend to the President that the MEMBER be required to submit to an investigation of the alleged deviation(s) by an independent inspection or quality assurance agency, which is acceptable to the Standards Committee, of the MEMBER'S production facility, specific shelter installation, or both to determine whether the alleged deviation is life-threatening or might lead to serious injury to shelter occupants. If the Standards Committee makes such a recommendation,

the President shall notify the MEMBER of the Committee's recommendation and request that immediate inspections as recommended by the Committee be undertaken at the MEMBER'S expense, with agency reports being submitted to the Standards Committee.

5.2.3.1 If the inspection confirms that the deviation is life threatening or a serious deviation, the President shall notify the MEMBER that, to avoid being removed from membership in NSSA, the MEMBER shall cease and desist in the manufacture, installation, construction, or sale of any and all storm shelters that deviate from the Standard. **5.2.3.2** The President may, upon confirming that a life-threatening or dangerous condition exists, require the MEMBER to send written notices of the deviation or flaw to all customers who have purchased storm shelters having the life-threatening flaw, notifying them of possible consequences of using the shelter whose safety is in question. The MEMBER must send such notice within ten days of receipt of the president's directive to send such notices. If the MEMBER refuses or fails to send such notice for any reason, such MEMBER shall provide the President with the names and addresses of all owners and purchasers of products sold by such MEMBER which contain the life-threatening or dangerous condition, so that the NSSA may notify such owners and purchasers as the NSSA deems fit. The President shall immediately notify the Board of Directors of actions that he has taken in such cases.

5.2.3.3 The MEMBER may also be required by the Board of Directors to submit to additional engineering evaluation and testing. MEMBERS who agree to the conditions imposed by the President and the Board of Directors may, at the discretion of the Board of Directors, be placed in a Probationary Membership Status (as described in Section 5.2.4 below). The Board of Directors reserves the right to revoke the membership of a MEMBER in cases where life-threatening deviations or serious violations of the requirements of the Standard are ascertained and where the MEMBER fails to take immediate steps to correct or rectify the deviation. A MEMBER who does not agree to the conditions imposed by the Board of Directors shall be terminated as a MEMBER of NSSA.

5.2.4 Probationary Membership Status A MEMBER whose storm shelter(s) is deemed by the Standards Committee to be not in compliance with the Standard, but for which non-compliance is deemed by the Board of Directors not to be life-threatening or a serious deviation from the Standard, shall be subject to action by the Board of Directors. Such action may include placing the MEMBER in a Probationary Membership Status. The Probationary Membership Status may include, but is not limited to: requiring the MEMBER to cease and desist in the manufacture, installation, construction, and sale of the alleged non-compliant storm shelter product until such time as the alleged non-compliance is cleared or corrected; requiring inspections by an independent, NSSA-approved inspecting or quality assurance agency; testing and/or evaluation of the storm shelter; or other Board of Directors-imposed remedial action. Costs for engineering evaluations, testing, and inspections shall be borne by the MEMBER. MEMBERS who accept the conditions of the Probationary Membership Status imposed by the Board of Directors shall not be removed from membership, except as provided for in ARTICLE VII - INVESTIGATIONS AND HEARINGS.

5.2.5 Disputes regarding alleged MEMBER product non-compliance shall be resolved by the Standards Committee and the Board of Directors in accordance with ARTICLE VII – INVESTIGATIONS AND HEARINGS.

ARTICLE VI -- SEAL PROGRAM

6.1 Purpose The purpose of the Seal Program is to provide mechanisms to assist MEMBERS in conveying to customers and to the Association that their storm shelters meet or exceed the requirements of the Standard.

6.2 Objectives The objectives of the Seal Program include the following:

6.2.1 Encourage MEMBERS to maintain high standards of manufacture, construction, and installation of storm shelters.

6.2.2 Assist MEMBERS in verifying that they have met or exceeded the NSSA Standard and, thereby, provide assurance to MEMBERS' customers that quality assurance procedures and processes have been required of MEMBERS by NSSA.

6.2.3 Assist MEMBERS in managing risks and lessening liability exposure.

6.2.4 Foster acceptance of the NSSA Seal Program by the public and regulatory agencies and, thereby, distinguish MEMBERS, as opposed to non-member storm shelter producers, as champions of high quality storm shelter production.

6.2.5 Encourage and assist local, state, and national regulatory and code agencies in requiring compliance with storm shelter standards that are aimed at producing quality in the design, construction, and installation of storm shelters.

6.3 Seal Program Administration

6.3.1 The Standards Committee shall be responsible for establishing and administering the NSSA Seal Program. The NSSA Seal Program and amendments thereto are subject to the approval of the Board of Directors.

6.3.2 The Board of Directors shall have primary responsibility for enforcing the NSSA Seal Program.

6.3.3 Complaints filed with the Board of Directors alleging non-compliance with the NSSA Seal Program shall be referred to the Standards Committee for review.

6.3.4 Amendments to the NSSA Seal Program shall become fully effective sixty (60) days following their approval by the Board of Directors.

6.4 Duties of MEMBERS in the Seal Program

6.4.1 Certificate of Installation A Certificate of Installation, devised and furnished by NSSA, shall be completed and signed by the MEMBER for each storm shelter installed by the

MEMBER or his authorized dealer or installer. Except as otherwise provided in Section 6.4.5, the Certificate shall contain, at a minimum, the producer MEMBER'S name, the serial number of the NSSA Seal, the shelter model designation, the date and address of shelter installation, the signature of the MEMBER or the MEMBER'S authorized agent, and a statement that the signature attests that the shelter design has been verified to comply with the Standard and that construction and installation also comply with the Standard. Where required by Section 6.4.4, the name of the individual (other than the MEMBER or individual supervising the installation, i.e., the building inspector for the jurisdiction, a threshold inspector, a clerk of the works, or a registered design professional.) who inspected the installation shall be supplied. The Certificate of Installation shall be filed by the MEMBER with NSSA within 60 days of completing the shelter installation.

6.4.2 Any deviation from the MEMBER'S installation or assembly instructions which are on file with NSSA's testing and evaluation agencies, that may be required to physically install the shelter as the result of structural or other conditions, shall be fully documented, e.g., in writing and photographically, and attached to the Certificate of Installation with an explanation of why the deviation was required. Upon inspection by the Board of Directors of such deviation, the Board of Directors may make additional requirements relating to such shelter in order for the same to be deemed to be in compliance with the Standard.

6.4.3 MEMBERS who construct site-built shelters (as that term is defined below) shall fully describe the dimensions of the shelter and the design designation (MEMBER-registered design sheet number used for submission for testing and engineering evaluation) on an attachment sheet to the Certificate of Installation. The sheet numbers of design drawings and specifications from FEMA 320 may be given for shelters conforming to FEMA 320 designs. Site-built shelters are distinguished from manufactured shelters that are prefabricated in the MEMBER'S plant and are assembled and installed at the site in accordance with the MEMBER'S installation instructions.

6.4.4 Local governmental agencies or departments may require that site-built shelters constructed within their jurisdiction be inspected by a building inspector of that jurisdiction. This does not remove the MEMBER'S responsibility for compliance with the Standard. The MEMBER or his authorized agent shall sign the Certificate of Installation as a requirement for affixing the Seal.

6.4.5 Customer Installed Storm Shelters Certificates of Installation for manufactured shelters that are not installed by the MEMBER or his authorized agent shall, as a minimum contain: the name of the MEMBER manufacturer; the serial number of the NSSA Seal; the name of the retailer and purchaser and, if known, the address of the end user where the shelter is installed; the date that the shelter was sold; and a statement that the storm shelter was not installed by the MEMBER or the MEMBER'S agent. The title and date of issue of the installation instructions issued with the shelter shall be entered on the Certificate of Installation. The installation instructions issued with the shelter shall also be on file with NSSA.

6.5 SEALS

6.5.1 NSSA Seals shall be purchased by the MEMBER from NSSA for a price established by the Board of Directors. NSSA Seals shall contain, as a minimum, a Seal serial number, the MEMBER'S name and a statement that the MEMBER certifies that the shelter complies with the

NSSA Standard and the Certificate of Installation on file with NSSA bearing the serial number shown.



6.5.2 Wording on NSSA seals and the certificate of installation is considered part of the administration of the Seal Program and is, therefore, the responsibility of the Standards Committee. Wording on seals or the Certificate of Installation or changes in wording shall be made with concurrence of the Board of Directors and with NSSA’s legal counsel.

6.5.3 The NSSA Seal shall be affixed to the shelter in a location where painting or finishing of the shelter is least likely to conceal it. Seals shall normally be placed in the same location for all of the MEMBER’S shelters of that model. Exceptions shall be noted on the Certificate of Installation.

6.5.4 A NSSA seal shall be affixed to the shelter only by the MEMBER or by his authorized agent.

6.5.5 MEMBERS shall provide a Certificate of Installation to NSSA bearing the serial number of the seal in accordance with Section **4.2.6**.

6.5.6 NSSA shall maintain a serial numbered record of NSSA seals sold to MEMBERS and a file of all Certificates of Installation.

ARTICLE VII -- INVESTIGATIONS AND HEARINGS

7.1 A formal, written procedure for conducting administrative investigations and hearings shall be devised and maintained by the Board of Directors and available on written request from NSSA Headquarters. This procedure shall govern the resolution of administrative actions involving matters such as Code of Ethics violations, disputes regarding deviations from the Standard, and other unresolved disputes which may arise.

7.1.1 Amendments The procedure governing administrative investigations and hearings may be amended by a majority vote of the Board of Directors.

7.1.2 Notices All notices concerning complaints about members, including notices under Article II, shall contain a written copy of the procedures described herein.

ARTICLE VIII – BOARD OF DIRECTORS

8.1 POWER AND AUTHORITY

8.1.1 The government of the Association shall be vested in a Board of Directors. This Board shall be comprised of a minimum of three MEMBERS of the Association elected by the members at the annual meeting as set forth by these Bylaws. Persons voted into office of the Board of Directors shall serve for two (2) year terms staggered at one-year intervals. One additional Associate Member and one Professional Member may be elected to the Board of Directors at the annual meeting. If these additional members are not elected by the Board of Directors at the annual meeting, they may be appointed by the Executive Committee of the Board of Directors. The Associate Member and the Professional Member shall serve two-year terms or for a shorter period designated at the time of election.

8.2 MEMBERSHIP OF THE BOARD OF DIRECTORS

8.2.1 The Board of Directors shall consist of a minimum of three (3) MEMBERS, and may also have one (1) Associate Member, and one (1) Professional Member.

8.2.2 In addition, the immediate Past President shall serve for an additional one-year term upon expiration of his term of office as President.

8.3 ELECTION OF MEMBERS OF THE BOARD

8.3.1 The members of the Board of Directors shall all stand for re-election once every two (2) years. At least one (1) of the Board of Directors members shall be elected each year. In this manner, the membership of the Board of Directors shall never be made up entirely of new members.

8.3.2 Each member of the Board of Directors shall serve for two years thereafter if re-elected. The Board of Directors may, by a majority vote of the Board of Directors, fill vacancies on the Board of Directors. Appointments shall be only for the term remaining of the position being filled.

8.3.3 Alternatively, the Board of Directors may call for an election to fill any vacancy on the Board of Directors.

8.4 DUTIES

The Board of Directors shall have the power to fill any vacancies among its Officers and the Board of Directors. The Board of Directors shall have the power to remove any Officer or member of the Board of Directors when in its best judgment the best interests of NSSA will be served thereby, and shall have the direction and management of the property and affairs of the Association, subject to the laws of the United States, State of Texas, and the Bylaws of the Association. The Officers and the Board shall make and file with the NSSA president a report at

the annual meeting of the Association and shall include therein a full statement of the business of the Association for the preceding year.

8.5 EXECUTIVE COMMITTEE

8.5.1 The Executive Committee shall be elected by the Board of Directors in accordance with ARTICLE XI – OFFICERS. The Executive Committee shall consist of the President, Vice-President, Secretary and Treasurer. The Executive Committee shall have the power to act for the Association except in matters specified by these Bylaws to be handled by the Board of Directors, the Membership Committee, the Standards Committee, the Ethics Committee or by the Association.

8.5.2 The Executive Committee shall have the authority to hire and manage staff and to manage operations of the Association. A summary of actions shall be included in the report of the Board of Directors at each annual meeting of the Association in fulfillment of the duties prescribed in Section **8.4**.

8.6 HONORARIUM

No member of the Board of Directors may be paid an honorarium.

8.7 COMPENSATION

Members of the Board of Directors shall serve without compensation. Board of Directors members shall be entitled to reasonable reimbursement for expenses as approved by the Executive Committee.

ARTICLE IX – MEMBERSHIP MEETINGS

9.1 REGULAR MEETING

A regular general meeting of the membership shall be held at least once each year. The specific meeting dates and locations shall be decided by the Board of Directors.

9.2 SPECIAL MEETINGS

Special meetings of the Association may be called by the President or by a written request to the President by three (3) members of the Board of Directors. Written notice shall be given by the President of the time, place, and purpose of such meetings, by mailing such notice to each member of the Association at his last known place of residence or business, at least thirty (30) days prior to such meeting.

9.3 MEANS OF MEETING NOTICES

Notice of meeting may be provided by first class mail, facsimile transmission or electronic mail.

ARTICLE X – MEETING OF DIRECTORS

10.1 SCHEDULE

Meetings of the Board of Directors shall be at least twice per year including one (1) meeting the day before each annual regular general meeting. The Board of Directors will set the dates of the other meetings. Notice of the annual meeting shall be sent to all membership at least thirty(30) days prior to the meeting date. Subsequent to this notice, but not later than fourteen (14) days prior to the announced meeting date, the Board of Directors shall send a copy of the meeting agenda to all members.

10.2 QUORUM

A majority of Board of Directors members present will constitute a quorum.

10.3 MEETINGS

In the interest of expediency and fiscal responsibility, and at the discretion of the Executive Committee, an issue may be brought forward, considered, and voted on by means of phone, facsimile, or other forms of telecommunications as necessary to conduct the normal business of the Association. In order to constitute a quorum, a majority of the Board of Directors members must vote on the issue in question. An abstention vote cast by a member shall be considered a vote.

10.4 NOTIFICATION OF ABSENCE

Any member of the Board of Directors who cannot attend a scheduled Board of Directors meeting shall notify the president at the earliest reasonable opportunity and provide a reason for the absence.

10.5 ABSENCE

Any member of the Board of Directors, who shall be absent for two (2) consecutive meetings without being excused by a vote of the Board of Directors, shall be deemed to have resigned there from, and this vacancy shall be filled as provided in these Bylaws.

ARTICLE XI – OFFICERS

11.1 OFFICERS

The Executive Committee shall be the officers of the Association. Following the election of the Board of Directors, the Board of Directors shall elect the Executive Committee at the same annual meeting. Executive Committee members shall serve for a one-year term. If an officer resigns from the Executive Committee during the term of office, the President shall appoint a successor, subject to the will of the Board of Directors, to fill the vacancy for the remainder of the term

11.2 PRESIDENT

11.2.1 The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall supervise and manage all of the business and affairs of the Association except as provided for in Section 11.2.2. The President shall, when present, preside at all meetings of the membership and of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and, in general, shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

11.2.2 The President may appoint a Chief Executive Officer and other executive staff, subject to the will of the Board of Directors, to execute any or all duties assigned to the President except as may be specifically required by these Bylaws to be executed by the President. The Chief Executive Officer shall be subject to the direction of the President and shall be subject to the limitations imposed upon the President in Section 11.2.1.

11.2.3 Succession In the event of the President's death, resignation, removal, or other event which prevents the President from performing his/her duties, the Vice-President shall immediately fill the vacancy and the Board of Directors shall elect a new Vice-President for the remainder of the term.

11.3 VICE-PRESIDENT

11.3.1 In the absence of the President or in event of his death, resignation, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

11.3.2 The Vice-President shall serve a one-year term. If the Vice-President should for any reason need to assume the position of President, the Board of Directors shall appoint a Vice-President to fulfill the remaining term of the Vice-President.

11.4 SECRETARY

The Secretary shall keep the minutes of the membership and of the Board of Directors' meetings in one or more books provided for that purpose; see that all notices are duly given in accordance with the provision of these Bylaws or as required; be custodian of the corporate records and of the seal of the Association; keep a register of the post office address of each Board of Directors member which shall be furnished to the Secretary; keep records of all disciplinary action brought to the Board of Directors; 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/her by the President or by the Board of Directors.

11.5 TREASURER

If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties, as the Board of Directors determine. The Treasurer shall: have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association in such banks, trust companies or other depositories as shall be selected in accordance with these Bylaws; and, in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

ARTICLE XII – AMENDMENTS

12.1 AMENDMENT WITH NOTICE AT SPECIAL MEETING

These Bylaws may be amended by a majority vote of the Board of Directors at any special meeting for that purpose, provided that the proposed amendment be filed in writing with the Secretary thirty-five (35) days prior to such meeting. The Secretary shall send a copy of the proposed amendment(s) to all members at least thirty (30) days prior to said meeting.

12.2 AMENDMENT AT REGULAR MEETING

These Bylaws may also be amended by a two-thirds vote of the Board of Directors at any regularly scheduled meeting of the Board of Directors. Such changes shall be published with the agenda for the meeting.

ARTICLE XIII – ORDER OF BUSINESS

13.1 ORDER OF BUSINESS

13.1.1 The order of business of the meetings of the Association and the Board of Directors shall be as follows:

1. Call to order

2. Reading of the minutes
3. Financial report
4. Reports of any committees
5. Unfinished business
6. New business
7. Elections
8. Adjournment

13.1.2 All reports must be submitted to the Secretary twenty eight (28) days in advance of Board of Directors meetings. The Secretary will forward copies of these reports to all Board of Directors members with the agenda for the Board of Directors meetings.

13.2 RULES OF ORDER

Robert's Rules of Order shall govern the conduct of business of the Association in all cases not especially provided for by these Bylaws.

ARTICLE XIV – BYLAWS BINDING

The Bylaws and amendments thereto shall be binding on all members of the Association providing no Bylaw shall be in conflict with the ARTICLES, Constitution or laws of the United States.

ARTICLE XV – INDEMNIFICATION

15.1 The Association shall indemnify any person who was or is a party or is threatened to be made a party to or any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was or has agreed to become a Director, officer, or is or was serving or has agreed to serve at the request of the Association as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against costs, charges, expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal there from, 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. 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.

15.2 The Association shall indemnify any person who was or is a party or 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 or has agreed to become a Director or officer, or was serving or has agreed to serve at the request of the

Association as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against costs, charges and expenses (including attorneys' fees) actually and reasonably incurred by him or on his behalf in connection with the defense or settlement of such action or suit and any appeal there from, 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 indemnification shall be made in respect of any claim, issue or matters to which such person shall have been adjudged to be liable to the Association unless and only to the extent that a court of competent jurisdiction or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such costs, charges and expenses which the court or such other court shall deem proper.

15.3 Notwithstanding the other provisions of this ARTICLE XV, to the extent that a Director or officer has been successful on the merits or otherwise, including, without limitation, the dismissal of an action without prejudice, in defense of any action, suit or proceeding referred to in Sections 15.1 and 15.2, or in defense of any claim, issue or matter therein, he should be indemnified against all costs, charges and expenses (including attorneys' fees) actually and reasonably incurred by him or on his behalf.

15.4 Any indemnification under Sections 15.1 and 15.2 (unless ordered by a court) shall be paid by the Association unless a determination is made (i) by a disinterested majority of the Board, or, (ii) such disinterested majority of the Board so directs, by independent legal counsel in a written opinion, or (iii) by the disinterested Members, that indemnification of the Director or officer is not proper in the circumstances because he has not met the applicable standard of conduct set forth in Sections 15.1 and 15.2.

15.5 Costs, charges and expenses (including attorneys' fees) incurred by a person referred to in Sections 15.1 and 15.2 in defending a civil, criminal, administrative, or investigative action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding; provided, however, that the payment of such costs, charges and expenses incurred by a Director or officer in his capacity as a Director or officer (and not in any other capacity in which service was or is rendered by such person while a Director or officer) in advance of the final disposition of such action, suit or proceedings shall be made only upon receipt of an undertaking by or on behalf of the Director or officer to repay all amounts so advanced in the event that it shall ultimately be determined that such Director or officer is not entitled to be indemnified by the Association as authorized in this ARTICLE XV. Such costs, charges and expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board deems appropriate. The Board may, in the manner set forth above, and upon approval of such Director, officer, employer, employee or agent, authorize the Association's counsel to represent such person, in any action, suit or proceeding regardless of whether the Association is a party to such action, suit or proceeding.

15.6 Any indemnification under Sections 15.1, 15.2 and 15.3, or advance of costs, charges and expenses under ARTICLE XV, shall be made promptly, and in any event within sixty (60) days, upon the written request of the Director or officer. The right to indemnification or advances as granted by this ARTICLE XV shall be enforceable by the Director or officer in any court of competent jurisdiction, if the Association denies such request, in whole or in part, or if no disposition is made within sixty (60) days. Such person's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any

such action shall also be indemnified by the Association. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of costs, charges and expenses under ARTICLE XV where the required undertaking, if any, has been received by the Association) that the claimant has not met the standard of conduct set forth in Sections 15.1 or 15.2, but the burden of proving such defense shall be on the Association. Neither the failure of the Association (including its Board, its independent legal counsel and its members) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 15.1 or 15.2, nor the fact that there has been an actual determination by the Association (including its Board, its independent legal counsel and its members) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

15.7 If any action, suit or proceeding, including any appeal, within the scope of Sections 15.1 or 15.2, the person to be indemnified shall have unreasonably failed to enter into a settlement, then, notwithstanding any other provision of this ARTICLE XV, the indemnification obligation of the Association to such person in connection with such action, suit or proceeding shall not exceed the total of the amount at which settlement could have been made and the expenses incurred by such person prior to the time such settlement could reasonably have been affected.

15.8 The indemnification provided by this ARTICLE XV shall not be deemed exclusive of any other rights to which any Director, officer, employee or agent seeking indemnification may be entitled under any law (common or statutory), agreement, vote of shareholders or disinterested Director or otherwise, both as to action in his official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Association, 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 estate, heirs, executors and administrator of such person. All rights to indemnification under this ARTICLE XV shall be deemed to be a contract between the Association and each Director, officer, employee or agent who serves or served in such capacity at any time while this ARTICLE XV is in effect. Any repeal or modification of this ARTICLE XV or any repeal or modification of relevant provisions of the Act or any other applicable laws shall not in any way diminish any rights to indemnification of such Director, officer, employee or agent or the obligations of the Association arising under this Section 15.8. This Section 15.8 shall be binding upon any successor corporation to this Association, whether by way of acquisition, merger, consolidation or otherwise.

15.9 The Association shall purchase and maintain insurance on behalf of any person who is or was or has agreed to become a Director, officer, employee or agent, 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 any liability asserted against him and incurred by him or on his behalf 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 Section 15.9; provided, however, that such insurance is available on acceptable terms, as determined by the Board.

15.10 If this ARTICLE XV or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Association (i) shall nevertheless indemnify each Director and officer, and (ii) may nevertheless indemnify each employee and agent, as to costs, charges and expenses (including attorneys' fees), judgments, fine and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Association, to the full extent permitted

by any applicable portion of this ARTICLE XV that shall not have been invalidated and to the full extent permitted by applicable law.

15.11 No amendment, termination or repeal of this Section 15.11 shall affect or impair in any way the rights of any Director or officer to indemnification under the provisions hereof with respect to any action, suit or proceeding, arising out of, or relating to, any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or appeal.



Addendum A to the Bylaws

National Storm Shelter Association ANTITRUST GUIDELINES

Approved 3_15_06

A.1 BACKGROUND OF ANTITRUST LAWS

Federal and state antitrust laws are intended to ensure free and open competition. At the federal level, the Sherman Act, the Clayton Act, and the Federal Trade Commission Act and similar laws in many states, prohibit contracts, combinations, conspiracies, and other agreements in restraint of trade, as well as monopolization and attempted monopolization.

The United States Supreme Court has said that not every agreement in restraint of trade constitutes a violation; only those that “unreasonably” restrain trade are unlawful. Thus in most situations, the courts will look at all the factors and circumstances surrounding the conduct in question to determine whether it unreasonably restrains trade and, therefore, violates the antitrust laws.

Trade associations, particularly those with members who make and market the same products in the competitive market place such as National Storm Shelter Association, by their very nature must be particularly sensitive to avoiding antitrust violations. One of the reasons for this is that in bringing natural competitors together into a voluntary association, one element of a possible antitrust violation may already be present—a combination of competitors. Another special antitrust problem of such an association is that many of its valuable programs deal with subjects sensitive from an antitrust viewpoint: price reporting, product standards, certifications, statistics and customer relations. Thus, all that may be necessary to prove that an activity of a trade association is in violation of antitrust laws is that the action restrains trade in some improper way. Therefore, the primary focus for NSSA is on the continuing relationships and agreements between NSSA member-competitors and not those agreements or relationships between a member-company and its customers.

Many antitrust violations and particularly those involving trade associations such as NSSA result from concerted or collusive activities in the form of an oral, written or even implied “agreement” that arise from members knowingly participating in a common scheme resulting in a restraint of trade. Examples of such restraint involve agreements with the purpose of setting or maintaining either prices or factors related to prices or agreements where the participants refuse to deal with or agree to boycott other competitors or suppliers. Also, agreements with the purpose or effect of allocating markets based upon a certain geographical area, industry or group of customers in return for reciprocal pledges from competitors are never lawful, regardless of the context of the agreement.

An otherwise lawful act may become unlawful if done for an improper purpose or, an act when done by one member alone may be justifiable, but when done in concert with others or as a part of a larger program, may be a violation of the antitrust laws. Good motives are never an excuse for doing things that are otherwise unlawful. Thus, a product standardization program may be intended to legitimately increase competition by providing consumers with important product information, but it may still be found to be unlawful if conducted in a manner more restrictive than necessary to achieve its legitimate purposes.

Certain activities, such as activities to influence the government by the joint activity of competitors are given immunity from antitrust liability pursuant to the First Amendment of the Constitution. Of course, any such activities that are only a “sham” designed to cover-up or harass competitors or to reach an unlawful agreement would not receive such protection.

Antitrust violations are enforced in ways that can result in fines per violation of up to \$10,000,000.00 for a corporation and \$350,000.00 for individuals. Individual employees who are involved in activity that violates the antitrust laws can also be sentenced to federal prison for up to three years (possibly more if mail or wire fraud are involved), resulting in the added loss of voting and other privileges. The federal government can also seek injunctive court relief, that provides for cease and desist orders and even the dissolution of the trade association.

Antitrust violations are not always prosecuted by the federal government. Private businesses or persons who believe that they have been damaged or injured by an antitrust violation can seek treble damages in private civil litigation. Such civil suits can not only be brought against the association, but also its member companies, or individuals for such civil damages, plus reasonable attorney’s fees and injunctive relief, not to mention the defendants’ own time lost and attorney’s fees.

A.2 MEETINGS CHECKLIST

To minimize the possibility of antitrust problems at NSSA gatherings, by way of example the following “basic” checklist should be followed in conducting and participating at all meetings of the NSSA board, all its committees, conferences, trade shows and training seminars:

1. Meetings should be held only when necessary to discuss items of substance which justify a meeting.
2. A notice of meeting, together with an item specific (not general or broadly worded) agenda, should be sent to each member of the group.
3. Meeting participants should strictly adhere to the agenda.
4. Participants should “police” their own meetings so in the event a member brings up an item of doubtful legality, discussion should be stopped. If the discussions persist in such areas as pricing, costs, or other competitive practices, the NSSA officer or staff or other members must disassociate themselves from such meeting, and if necessary, leaving the meeting.
5. Minutes of all meetings must be kept which summarize accurately the actions taken, if any. Minutes should not contain comments made regarding agenda items.
6. A NSSA staff member should attend all meetings.

7. Members of the association should not be coerced or forced into taking part in any of the NSSA activities.
8. NSSA members must cooperate with association leadership and staff, particularly when they have ruled adversely about a particular activity or topic of discussion.

The following are examples of some of the main topics that should be avoided at all meetings or other gatherings of the members or association without consultation with legal counsel:

1. Current or future prices of competitors.
2. Matters related to prices, such as discounts, credit terms, profit levels or volume of service.
3. Wage and salary rates, equipment prices, or other actual costs of individual companies, since these costs are an element of price.
4. Dividing up, allocating, or rationalizing markets, bids, geographic areas, types of businesses, or customers among competitors.
5. Refusals to deal with or boycotting customers, suppliers, or other competitors.
6. In discussing technical standards, no comments regarding pricing, marketing, etc. should ever become necessary. Any such standards should be technical in nature, only.



Addendum B to the Bylaws

National Storm Shelter Association

INVESTIGATIONS & HEARINGS

B1. INVESTIGATIONS AND HEARINGS

B1.1 Purpose of this Procedure The purpose of this procedure is to provide reasonable means for the resolution of disputes arising in the Association in a manner which is fair to all parties, which protects the rights of an accused, and/or which protects the confidentiality of matters and persons which come before any committee or other entity of the Association for resolution of disputes. Committees or other entities of the Association shall be guided by this procedure in carrying out their responsibilities. The procedure is written particularly for the handling by the Ethics Committee of matters relating to alleged violations of the **Code of Ethics**. Matters relating to the investigation and resolution of alleged deviations from the NSSA *Standard for the Design, Construction, and Performance of Storm Shelters*, hereinafter **Standard**, and other sensitive disputes within the Association shall also be resolved in accordance with the procedure which follows to the maximum extent practicable. In lieu of **B1.5 Setting of Punishment**, the procedures of Bylaws, Article V – **Standard** shall apply to matters related to alleged deviations of Member’s shelters from the **Standard**. Where the category of membership is not relevant to particular provisions of this procedure, the term “member” is used.

B1.2 Ethics Committee Procedures

B1.2.1 Handling of Complaints A complaint may be received by the President or by NSSA headquarters staff, in which case it shall be forwarded immediately to the President. Complaints will not be considered by the President or Ethics Committee unless submitted in writing to the President. Further, the complaining party must make reasonable efforts to resolve the issues complained of prior to submitting a complaint to the President. Upon receipt of a written complaint which the President believes meets the criteria set forth above, the President shall forward the complaint to the chairman of the Ethics Committee. The chairman shall notify the member against whom the allegation is made (the “Accused”) by certified letter (return receipt requested) of the allegation with a copy of the written allegation. On or before the day the certified letter is sent, the same information shall be sent by facsimile transmission, regular mail or courier to the Accused’s address on record with NSSA. The chairman of the Ethics Committee may contact the Accused and notify the Accused that the above referenced communications are

forthcoming. When notice of a communication is given directly to the Accused by telephone then the times herein begin when the oral notice is given. Telephone notice to any party involved in these proceedings shall be given to the party's business phone during normal business hours in the party's time zone. Inability to notify the Accused by telephone after attempts on three business days shall not be construed as failure to give notice in accordance with these procedures. Copies of the notice sent to the Accused shall simultaneously be sent to members of the Ethics Committee. The notice shall specify a date (typically 15 days hence) by which the Accused is to respond to the Ethics Committee, presenting evidence to counter the allegation or acknowledging it and outlining a course of action to correct it.

B1.2.2 Preliminary Investigation After the time specified for a response from the Accused has lapsed, the Ethics Committee shall make a preliminary investigation of the allegations and the Accused's response, if any. After the preliminary investigation, the Ethics Committee in its sole discretion may terminate the action on the charge(s). Such decision, and the reasons for such decision, shall be made known, in writing, to Accused and to the complaining party that initiated the complaint.

B1.2.3 Continuing Investigation If the Accused fails to respond to the notices sent as per Article B1.2.1, or if the Ethics Committee believes that the facts revealed by its investigation are not sufficiently rebutted by the response of the Accused, or that the situation has not been corrected, the Ethics Committee shall so notify the Accused in writing by certified mail and by regular mail or courier along with notice sent by telephone or facsimile. The Accused, upon receipt of this notice, shall have fifteen (15) days to request a hearing by the Ethics Committee. The request for such a hearing must be in writing and must be received by the Ethics Committee within fifteen (15) days following receipt of the notice of findings from the Ethics Committee to the Accused. If the Accused does not request a hearing the Committee may commence to set the punishment pursuant to these Rules.

B1.2.4 Committee Pre-Hearing Procedure If a hearing is requested in a timely manner by the Accused, the Ethics Committee shall notify its members and arrange for the convening of such a meeting to hear or read all relevant matters. Said meeting must be convened within sixty (60) days from the date the request from the Accused is received by the Ethics Committee if no additional input is requested from either the Accused or the complaining party, or within ninety (90) days if more information is requested as in Article B1.2.4.1 below.

B1.2.4.1 The Ethics Committee may request that the Accused and the complaining party supply the Ethics Committee, within 30 days, brief outlines of their respective positions concerning the allegation(s) and actions taken pursuant to the time the allegations were made. Such outlines shall be disseminated to the members of the Ethics Committee and to the Accused and complaining party. Within thirty (30) days of the receipt of these outlines, the Ethics Committee shall vote on whether the allegations against the Accused should be heard or terminated. If the Ethics Committee terminates the case, the chairman shall notify the complaining party and the Accused of the Ethics Committee's decision. If the Ethics Committee decides a hearing should be held, the chairman shall select a date to conduct the hearing and shall notify the parties of the same by certified mail.

B1.2.5 Ethics Committee Hearing Procedure

B1.2.5.1 The Accused and the complaining party shall be given, in writing by certified letter or courier and by telephone or facsimile, a minimum of fifteen (15) days notice of the date of the hearing. All parties to the action shall have the right to be represented by counsel and, with the Ethics Committee Chairman's concurrence, to bring witnesses to the issues in the case. At the hearing, the Accused shall have the opportunity to hear and present evidence, to hear and present witnesses, and to refute the charges. The complaining party will also have the opportunity to hear the evidence and confront and cross-examine witnesses. All witnesses and parties shall be subject to questioning by members of the Ethics Committee.

B1.2.5.2 In order to conduct a hearing, a majority of Ethics Committee members must be present. Should a Member become recusant from a particular proceeding, the Chairman may, but shall not be obligated to, temporarily appoint a substitute Member to replace the recusant Member during the proceeding.

B1.2.5.3 No transcript will be made at the hearing unless requested by a party who will be responsible for the expense of making same.

B1.2.5.4 If the Accused is unable to appear in person but wishes to submit written evidence or responses relating to the allegations, the Accused may request a conference of the Ethics Committee in lieu of a hearing. The chairman of the Ethics Committee may select the methods by which the conference is conducted and by which conferees are polled.

B1.2.5.5 The decision by the Ethics Committee shall be made by secret ballot after the Ethics Committee has had opportunity to deliberate the charge(s) and the testimony and evidence presented during the hearing or conference, if applicable. The violation or non-violation of the **Code of Ethics** shall be determined in all hearings and conferences, as applicable, by a majority vote of the members of the Ethics Committee. The Ethics Committee shall determine either that the action against the Accused be terminated or that the Ethics Committee will proceed to set the punishment in accordance with the provisions of *Investigations and Hearings*. The hearing will be closed to all persons except the Ethics Committee, the charging and accused parties, and all necessary witnesses.

B1.2.5.6 If it is determined by the Ethics Committee, in accordance with the provisions of the provisions of *Investigations and Hearings*, that a violation of the **Code of Ethics** has occurred, the Ethics Committee may exercise its discretion as to whether to attempt to resolve any complaint or controversy amongst or against members by conciliatory conferences in an attempt to secure an agreed settlement which is consistent with the **Code of Ethics**. Should the Ethics Committee elect not to attempt such conciliatory actions or, following such attempts, believe that an agreement cannot be reached or would leave the issue in conflict with the **Code of Ethics**, then, following a full and complete hearing or conference, as applicable, wherein a decision is rendered adverse to the Accused, the Ethics Committee must then submit its findings and recommendations to the Board of Directors for further action.

B1.3 Confidentiality

B1.3.1 At no time during the investigation or hearing of charges against a member shall the Ethics Committee or its members discuss the alleged violation with any other person(s) except the complaining party, or the Accused, counsel for the Accused, or other parties whose input may have a direct bearing on the Ethics Committee's investigation. The identity of all parties involved and all information or evidence obtained during an investigation or hearing shall be deemed strictly confidential. At no time during an investigation or hearing of charges shall the Ethics Committee or any of its members confer with any party to the action or others who may be privy to the action except when it may be necessary to call a party as a witness to the facts in the present case, in which case that party shall be used only for the purpose of testifying to the facts, and shall be notified of the strict confidentiality of the action and relevant facts. At no time prior to, during, or after the proceedings under the provisions of *Investigations and Hearings* shall the Ethics Committee issue any public statement concerning the allegations, findings, or punishment by the Ethics Committee related to a violation of the Code, unless specifically authorized to do so by the Board of Directors.

B1.3.2 Upon request by the Ethics Committee or any of its members, all documents relating to an alleged violation shall be delivered to the Ethics Committee. Any such information obtained by the Ethics Committee shall be held in strict confidence in accordance with the provisions of *Investigations and Hearings*. Whenever the Ethics Committee terminates an action that has been brought pursuant to the provisions of *Investigation and Hearings*, the record of the Accused pertaining to the action shall be expunged and all evidence (documents, memoranda, or other written material, film, etc.) shall be destroyed or returned to the parties furnishing same, as may be deemed appropriate by the Ethics Committee.

B1.4 Decision

B1.4.1 A decision on the action shall be made by a majority vote of the Ethics Committee by secret ballot. Punishment shall be set as prescribed hereinafter. Upon reaching a decision, the chairman of the Ethics Committee shall prepare a brief statement of facts as the Ethics Committee found them, the decision of the Ethics Committee, the basis for the finding, and the punishment set. The chairman shall submit the same to the Board of Directors. The chairman of the Ethics Committee shall notify the Accused in writing by certified letter of the Ethics Committee's decision.

B1.5 Setting of Punishment The Ethics Committee, by a majority vote of its members, shall set the punishment for the actions of an Accused who is found to be in violation of the **Code of Ethics** as follows:

B1.5.1 Recommend to the Board of Directors that the Accused found to be in violation of the Code be removed from membership under the provisions of Bylaws ARTICLE II, Section 2.3.

B1.5.2 Recommend to the Board of Directors that a consent order be entered into by the Accused, consenting to the following actions:

B1.5.2.1 The Accused is censured for conduct which is contrary to the **Code of Ethics** or the **Member's Pledge**, and

B1.5.2.2 The Accused is required to pay a fine, established by the Board of Directors, in an amount not to exceed five thousand dollars (\$5000.00), and/or

B1.5.2.3 The Accused is placed in a **Probationary Membership Status** which may require the member to:

B1.5.2.3.1 make financial restitution to an offended party.

B1.5.2.3.2 complete a prescribed course in business ethics and furnish the Board of Directors proof of satisfactory completion.

B1.5.2.3.3 cease and desist in the manufacture, construction, installation, or marketing of storm shelter products until such the member's **Probationary Membership Status** is terminated by the Board of Directors.

B1.5.2.3.4 consent to other appropriate penalties as determined by the Ethics Committee.

B1.6 Appeal

B1.6.1 Any Accused who receives an adverse ruling or decision by the Ethics Committee may appeal the same to the Board of Directors. In order to perfect the appeal, a written notice of the intention to appeal must be filed with the Ethics Committee and the President within ten (10) days from the date of receipt by the Accused of the Ethics Committee's decision. The notice must state the specific grounds for the appeal.

B1.6.2 The Board of Directors shall take up the matter at its next scheduled business meeting and shall decide whether or not to hear the appeal of the Accused, or whether or not the action should be dismissed. The decision shall be made by a majority vote of the Board of Directors.

B1.6.3 All appeals shall be by way of written argument and the presentation of any and all transcripts or exhibits and documentary evidence. Oral testimony and witnesses shall not be heard by the Board of Directors. The Board of Directors' decision shall be based on the records presented to it and the written arguments of the parties thereto. The decision shall be made by a majority vote of the Board of Directors. The Accused shall be notified of the Board of Directors' decision by certified letter.

B1.7 Imposing of Punishment The Board of Directors shall decide by majority vote whether or not to impose the punishment(s) set by the Ethics Committee. The Board of Directors shall vote on each specific punishment set by the Ethics Committee in the order which it is presented by the Ethics Committee. The Board of Directors may, by two-thirds (2/3) majority vote, modify specific punishment(s) set by the Ethics Committee. A two-thirds (2/3) majority vote of the Board of Directors is also required to terminate the membership of an Accused. The Board of Directors shall notify the Accused of the Board of Directors' decision by certified letter.