

BYLAWS
THE DISPUTE RESOLUTION BOARD FOUNDATION, INC.
(A NON-STOCK, NOT-FOR-PROFIT CORPORATION)

ARTICLE I. NAME

The name of this organization is “The Dispute Resolution Board Foundation.” It is a not-for-profit corporation without capital stock organized under the laws of the State of Wisconsin. The organization is referred to in these Bylaws as the “Foundation” or “DRBF.”

ARTICLE II. PURPOSES AND OBJECTIVES

The members of the Foundation believe that Dispute Boards (DBs) are a cost-effective means for prevention and resolution of construction disputes. For that reason, the Foundation is a voluntary organization created to provide information, education and training to entities and persons involved in the construction process having need of dispute prevention and resolution services and to create a clearing house for the bringing together of the providers and users of DB services. By so doing, it is the goal of the Foundation to assist in the prevention and resolution of disputes on construction projects. In particular, the Foundation intends and shall conduct the following activities:

- A. To create and provide educational materials and services for members and the public concerning the DB process.
- B. To exchange information with public and private organizations concerning DBs, including regional Dispute Board organizations affiliated with the Dispute Resolution Board Foundation as provided in Article VIII.
- C. To encourage, sponsor, or conduct seminars, expositions, and other means of creating interaction between providers and users of DBs.
- D. To publish articles, manuals, directories and other literature to educate participants in the construction process about DBs.
- E. To promote and provide training to the DRBF members and prospective members.
- F. To provide education and training for potential users of the DB process.
- G. At the request of third parties, to suggest a list of candidates (minimum three names) expected to be suitable as chairperson or member of DB panels.
- H. To perform any other lawful act for which corporations may be formed under the laws of the United States of America and the State of Wisconsin, subject, in all events, to the prohibitions set forth in the Articles of Incorporation of the Foundation.

ARTICLE III. MEMBERSHIP

The membership of the DRBF is composed of individuals and organizations supporting the purposes and objectives of the DRBF. Notification of the DRBF by an affiliated regional Dispute Board organization of the fact that an organization or individual is a member in good standing of that affiliated regional Dispute Board organization results in their membership in the DRBF, unless the Board of Directors of the DRBF objects to such membership at its next meeting. All members of the DRBF shall be entered on a register maintained by the DRBF.

Section 1. Founding Member. The four authors of the Construction Dispute Review Board Manual. Those persons may become members in any category described below and shall then become responsible for appropriate dues.

Section 2. Charter Membership. Any organization, individual or entity who contributes not less than \$500.00 to the Foundation prior to August 31, 1996. The list of Charter Members, whether or not any should later become paid members, shall always be displayed in the Annual Directory and in all issues of the newsletter.

Section 3. Sustaining Membership. Any firm, institution or individual which is committed to the DRB process and providing support for the overall goals of the Foundation. Members of the Board of Directors must be Sustaining Members during their term of office.

Section 4. Individual Membership. Any individual interested in supporting the DRBF.

Section 5. Government Employee Membership. Any individual government employee who may have an interest in the activities of the DRBF.

Section 6. Emerging Nation Membership. Any individual residing in an emerging nation as defined or designated by the DRBF with an interest in learning how DRBs work and helping to promote their use in developing countries.

Section 7. Student Membership. Any individual enrolled as a full-time student in an accredited post-secondary educational institution having an interest in the activities of the DRBF.

Section 8. Other Levels of Membership. The Board of Directors of the Foundation may introduce other levels of membership to those listed above which the Board, in its sole discretion, believes will enhance membership and revenue for the Foundation.

Section 9. Election to Membership. Application for membership must be filed with the DRBF Board of Directors or an affiliated regional Dispute Board organization with forms prescribed by the DRBF Executive Board. An applicant may request membership in more than one region with full voting rights and privileges in each region, provided the applicant maintains those memberships by timely payment of annual dues as determined by the Executive Board. The Board of Directors shall have the right to appoint a person who will have the authority to approve the membership of any applicant. Those persons named in the Articles of Incorporation as Directors, or the firms represented by such persons, shall be deemed members of the Foundation without further act of the Board of Directors, providing that each person or firm

selects its appropriate category of membership and maintains membership by timely payment of annual dues.

Section 10. Rights of Membership. All paid members shall have the right to full and complete information concerning all affairs of the Foundation and to attend all meetings of the members and the right to vote on all matters on which members are permitted to vote, subject to Article IV, Section 4 of these Bylaws. Any reference hereinafter to member(s), unless otherwise noted, shall refer to a qualified voting member of the DRBF.

ARTICLE IV. DRBF ORGANIZATION

The DRBF is organized with a Board of Directors.

ARTICLE V. MEMBERSHIP MEETINGS AND VOTING

Section 1. Annual Meeting and Regional Meetings. The Annual Meeting of the membership shall be held at a time and place determined by the Board of Directors. The membership shall be given at least 30 days notice by mail/e-mail of the time and place of the Annual Meeting. If the Foundation shall publish a regular newsletter for distribution to its members, such notice may be contained in that newsletter. The notice of the meeting need not state details of the Foundation's business to be transacted unless it is a matter, other than the election of Directors, for which a vote of the members is expressly required by the provisions of Wisconsin law.

Section 2. Special Meetings. Special meetings of the members may be called by the Chair of the Board or a majority of the Board of Directors. Furthermore, upon written demand of at least one-quarter of the regular DRBF members in good standing, a special meeting shall be called.

Section 3. Quorum. At any meeting of the members, either annual or special, the regular members present in person or by proxy shall constitute a quorum for the transaction of business regardless of the number of persons actually present.

Section 4. Voting Members and Proxies. Each member shall have one vote per membership. Members in good standing in multiple regions have one vote in DRBF-wide elections and meetings and one vote in each Regional election or meeting. Any Charter, Sustaining, Sponsor, Individual or Government member may have as many persons attend meetings as such member deems necessary or desirable. When more than one person attends a meeting on behalf of a member, the vote appurtenant to the membership shall be cast as the persons attending may agree or in accordance with written instructions delivered to the secretary of the meeting. No member shall be entitled to vote unless that member is in good standing with all dues and assessments paid in full. Members may vote either in person or by proxy. All proxies must be signed and dated by the member and delivered to the secretary of the meeting prior to its being voted. No proxy shall remain valid for more than 60 days from the date of its execution. Any questions concerning the validity of a proxy will be determined by the Board of Directors in their absolute discretion and any such decision shall be final.

Section 5. Proprietary Interest. During the existence of the Foundation, no member shall own or benefit from any property owned by the Foundation. The provisions of Article Seven of the

Foundation's Articles of Incorporation shall govern all relations of the corporation and its members.

Section 6. Dues and Assessments. The Foundation shall determine the amount and method of payment of all dues and assessments to the Foundation by a vote of its Board of Directors. The amount of dues and assessments shall be subject to annual review by the Board of Directors and shall be announced not later than sixty days prior to the commencement of the fiscal year for which such amounts are due. A member who is delinquent in payment of dues and assessments shall not be entitled to vote or to obtain any other benefit of membership. A member whose dues and assessments are delinquent more than 90 days shall be subject to expulsion upon the vote of the Board of Directors. Where a member of the DRBF is also a member of a regional Dispute Board organization, the regional Dispute Board organization may establish dues and assessments in excess of those payable to the Foundation, pursuant to Article VIII, Section 6 below.

Section 7. Procedures. All meetings shall be conducted with the procedures set out in Roberts Rules of Order or a similar standardized parliamentary procedure as may be adopted by the Board of Directors.

ARTICLE VI. BOARD OF DIRECTORS

Section 1. Number, Election and Term of Office. The Board of Directors shall be elected by the entire DRBF membership and consist of President, President-elect, Immediate Past President, Secretary/Treasurer and the Presidents of the established regions. The President shall act as the Chair of the Board of Directors. All Members of the Board of Directors shall establish and/or maintain membership at the Sustaining Member level. An Executive Director (if appointed) will be an ex-officio and non-voting member. Each of the Members of the Board of Directors, except the Secretary/Treasurer, shall serve terms expiring in one year. A Secretary/Treasurer shall be elected for a three-year term. All of the Members shall be voting members of the Board of Directors during their terms in office. No Member, except Secretary/Treasurer, shall be eligible to serve more than two consecutive three-year terms or six successive years, whichever is greater. Each Member shall hold office until the Annual Meeting designated as the end of his/her term and until a successor is duly chosen and qualified.

Section 2. Regular Meetings. The Board of Directors shall hold no fewer than two (2) regular meetings per year. One of the meetings shall be held in conjunction with the Annual Meeting at the designated location. The other shall be called by the Chair and shall be designated as a regular meeting.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by the Chair, or at the request of a majority of the Board Members. It shall be the duty of the Secretary/Treasurer to notify the Members of any special meeting of the Board of Directors by verbal or written notice, including facsimile or other electronic methods of communication. The notice shall be delivered at least five (5) days prior to the special meeting with the date, time and location as well as the nature of the business to be conducted. Special meetings may be conducted by telephone conference call, video conferencing or any other suitable means, in which all Directors can hear and be heard by all other Directors.

Section 4. Quorum of Directors Eligible to Vote. At any meeting of the Board of Directors, a quorum for the transaction of business shall consist of a majority of Directors eligible to vote. All decisions and elections of the Directors shall be by majority vote of those present, unless otherwise provided by these bylaws. Each member of the Board of Directors who is present has one vote. The Chair shall have the same vote as any other Director.

Section 5. Attendance. Any Board of Directors member who fails to attend at least one meeting each year shall be removed from the Board of Directors, unless the absence is excused for due cause by the Chair.

Section 6. Vacancy. In the case of any vacancy in the Board of Directors of an elected Director through death, resignation, disqualification, or any other cause, the remaining Directors may elect a successor to hold office until the next Annual Meeting of members at which time the members shall elect a successor to fulfill the remaining portion of the Director's term.

Section 7. Removal. If, by a vote of two-thirds of the Board of Directors, due cause is found for the removal of a Director, such Director shall be advised in writing by the Chair of the basis for such decision; however, the Director shall have the right to appeal to the Board of Directors at its next regular meeting or at a special meeting called for that purpose. If the Director wishes to appeal, written notice must be given to the Chair within fourteen days of receipt of his notice of removal. The Director shall retain voting rights until such removal has been acted upon by the Board and the removal sustained (in the event of appeal) by two-thirds of the Board of Directors. The subject Director shall not be eligible to vote or be present when the vote is taken on his/her removal. For purposes of the foregoing, "cause" shall include fraud or bad faith in connection with the affairs of the Foundation, conviction or the entering of a plea of guilty or no contest to a felony, or debarment or equivalent proceedings by any governmental agency.

Section 8. Authority of the Board of Directors. The Board of Directors is the governing body of the Foundation. The Board has the authority to make rules or formulate policy for the Foundation. The actions of the Board of Directors shall be published and made available to the membership. The Board of Directors, through the Chair, shall provide an annual report (which need not be written) of the Foundation's affairs to the membership at the Annual Meeting.

ARTICLE VII. OFFICERS

Section 1. Elective Officers. The elective officers shall be President, President-elect, and Secretary/Treasurer. The President, President-elect and Past President shall each serve one year in each position. The Secretary/Treasurer shall serve a three-year term.

Section 2. Term of Office. The President, President-elect and Past President shall hold office until the next Annual Meeting, and until a successor has been duly elected and has assumed office. The Secretary/Treasurer shall hold office until the third Annual Meeting following his/her election and until a successor has been duly elected and assumed office. In the event of a vacancy due to resignation, withdrawal, death or inability to serve, the Board of Directors may appoint a temporary replacement to serve until the next Annual Meeting.

Section 3. President and Chair. The President shall be the chief elected officer of the DRBF, serve as Chair of the Board of Directors and shall preside at all meetings of the Executive Board

of Directors. The President shall have, perform and discharge the duties which the Board of Directors may from time to time prescribe, and shall be, ex officio, a member of all standing committees. The President shall have the duty of appointing the chairpersons to lead all committees of the Foundation. When the President or the DRBF are lawfully designated as a Dispute Board Appointing Authority, the President will confer with an ad hoc committee comprised of the President and at least three other members and act in response to any requests for appointment. In the case of appointments outside the United States, at least two members of the ad hoc committee shall be non-residents of the United States.

Section 4. President-Elect. The President-elect shall perform the duties of the President in the absence of the President and shall perform any other duties assigned by the President and shall be deemed the Vice President for purposes of compliance with applicable laws and regulations.

Section 5. Past President. The Past President shall assist the President and President-elect in the discharge of their duties, as requested by either.

Section 6. Secretary/Treasurer. The Secretary/Treasurer shall perform all acts which legally require the services of a corporate Secretary and shall be responsible for supervising the maintenance of a complete roll of the names and addresses of the Board of Directors and as necessary, general information of the Foundation's entire membership. The Secretary/Treasurer is also responsible for supervising the taking and keeping of minutes of the proceedings of the Board of Directors and meetings of the members of the Foundation and shall perform and discharge the duties and powers of the office as prescribed by the Chair and the Board of Directors. The Secretary/Treasurer shall also be responsible for all monies and other property of the Foundation and collection of all dues and assessments, subject to the orders and control of the Board of Directors and for correct and accurate accounting of all monies received and disbursed, and for a reporting on the financial condition of the Foundation. The Secretary/Treasurer shall ensure that the books and records of the Foundation are audited in accordance with the provisions of these Bylaws.

ARTICLE VIII. AFFILIATION OF REGIONAL DISPUTE BOARD ORGANIZATIONS

Section 1. Subject to the provisions of Article III hereof, when a sufficient number of individuals and/or entities within a geographic area that is composed of more than one country support the purposes and objectives of the DRBF, those individuals and entities, in consultation with and with the approval of the DRBF, may establish a regional Dispute Board organization and request such regional Dispute Board organization be granted membership in the DRBF, provided that creation of such regional Dispute Board organization shall not detrimentally impact an existing regional Dispute Board organization.

Section 2. Prior consultation with and approval by the DRBF Board of Directors are prerequisite conditions for the establishment of a regional Dispute Board organization. Recognizing the variety of legal systems around the world, any regional Dispute Board organization seeking membership in the DRBF shall submit its proposed organizing documents to the DRBF Board of Directors for approval, along with a proposed agreement of affiliation between the regional Dispute Board organization and the DRBF for approval.

Section 3. Subject to local law, these bylaws and the affiliation agreement, any regional Dispute Board organization is free to establish their own rules.

Section 4. A regional Dispute Board organization represents the DRBF in its region. As such:

- A. It acts as the liaison between the DRBF and the DRBF members in their region;
- B. It organizes activities intended to make known the work of the DRBF in general, and as appropriate, does so in coordination with the DRBF and other regional Dispute Board organizations;
- C. It provides services and information responsive to the needs of the DRBF and the members of the DRBF in its region
- D. It promotes the adoption and implementation of the policies advocated by the DRBF with a view to their adoption in its region
- E. It collects membership dues for itself and the DRBF, and remits to the DRBF no less than twice per year the dues it collects on behalf of the DRBF

Section 5. Each regional Dispute Board organization shall have available an administrative structure to facilitate the active participation of the members of the DRBF in its region. Should a regional Dispute Board organization no longer be able to meet this condition, the DRBF Board of Directors may take such measures as it may deem necessary to ensure proper communication with DRBF members in the region in question.

Section 6. Each regional Dispute Board organization shall set its membership dues so as to enable it to meet its own operational expenses as well as its financial obligations to the DRBF. Article IX applies to Regional Dispute Board organizations which do not fulfill such obligations. Except as expressly approved or ratified by the Board of Directors of the DRBF, no regional Dispute Board organization shall have any authority or right to create any legal obligation or liability on the part of the DRBF.

Section 7. Each regional Dispute Board organization shall communicate to the DRBF its annual balance sheet and statement of income and expenses.

Section 8. When a regional Dispute Board organization is declared inactive or dissolved, or its affiliation with the Dispute Resolution Board Foundation is terminated for any reason, its members shall become direct members of the DRBF in accordance with article III.

ARTICLE IX. RESIGNATIONS AND TERMINATION OF MEMBERSHIP OR AFFILIATION

Section 1. Members of regional Dispute Board organizations may terminate their membership in the DRBF by resignation provided that their resignation is presented through their respective regional Dispute Board organization.

Section 2. Any member whose affiliation to a regional Dispute Board organization is terminated for any reason shall ipso facto be removed from membership in the DRBF.

Section 3. The list of terminations shall be promptly submitted to the DRBF for its information.

Section 4. At the request of a regional Dispute Board Organization or on its own motion, the Board of Directors of the DRBF may terminate the membership of any member provided that in the judgment of three quarters of the votes that may be cast by the Board of Directors present at the relevant meetings of the Board of Directors, such termination of membership is in the best interests of the DRBF.

Section 5. Any such termination of membership as set forth in the preceding paragraph, shall be final.

Section 6. Notice of the termination of membership shall be provided by the regional Dispute Board organization to the Secretary of the DRBF.

Section 7. Direct members who have not remitted their dues to the DRBF by the date specified in the membership renewal notice shall be automatically removed from membership in the DRBF.

Section 8. The Board of Directors of the DRBF may terminate the membership of any regional Dispute Board organization provided that in the judgment of three quarters of the votes that may be cast by the Board of Directors present at the relevant meetings of the Board of Directors, such termination of affiliation is in the best interests of the DRBF.

ARTICLE X. STAFF

Section 1. Retention of Staff. In the event the Foundation determines that the scope of its activities require the employment of professional staff, such decision shall be made by the Board of Directors and the persons so hired shall work under the guidance and subject to the direction of the Board of Directors and of the officers of the Foundation.

ARTICLE XI. COMMITTEES OF THE BOARD OF DIRECTORS

Section 1. Standing Committees. It shall be the duty of the President to appoint chairpersons of the following standing committees of the Foundation:

A. Training Committee, whose duty shall be to develop, supervise, and coordinate all training courses and workshops administered by the Foundation.

B. Finance Committee, whose duty shall be to identify funding initiatives, to make recommendations on financial matters and to develop financial procedures for the Foundation.

C. Strategic Planning Committee, whose duty shall be to identify future growth plans and strategies for the Foundation.

D. Publications Committee, whose duty shall be to manage the updating, production and distribution of the DRBF Practices and Procedures Manual and other educational materials.

E. With the approval of the Board, additional committees may be created to accomplish the Foundation's objectives.

Section 2. Elections Committees. The President (and of each Region) shall each appoint an Elections Committee that will consist of at least two members of the relevant Board of Directors whose term does not expire during the current year. The relevant Election Committee shall confer prior to the election cycle to review and approve nominations for candidates for Directors and Officers of the Foundation, and administer the election process in accordance with the Bylaws.

Section 3. Committee Rules. Each standing committee shall adopt its own rules and procedures consistent with these Bylaws and with the Articles of Incorporation of the Foundation. The chairperson of each Committee shall select the other members of the Committee.

ARTICLE XII. FINANCES

The Foundation shall not be operated for profit. Consistent with that position, the following provisions shall govern the financial affairs of the Foundation and the Board of Directors.

Section 1. Fiscal Period. The fiscal year of the Foundation shall commence on January 1 and shall end on December 31 of each year.

Section 2. Bonding. The Foundation may furnish trust and/or surety bonds on all staff persons and officers who are involved in the Foundation's financial activities. The need for and the amount of such bonds shall be determined by the Board of Directors.

Section 3. Annual Budget. The annual budget for the following fiscal year shall be prepared by each Region of the Foundation and submitted to the Secretary/Treasurer of the Foundation at least 60 days before the end of the calendar year preceding the budget year. The annual budget shall not project expenses in excess of income unless the Board of Directors, in its sole discretion, determines that it would be in the best interest of the Foundation to utilize reserves to supplement the annual budget for a specific purpose or to accomplish a specific task. A copy of the annual budget shall be available to any member in good standing upon written request. When income exceeds annual expenditures, the balance shall be carried over to reserves. During the year, requests for expenditures not part of the annual budget shall be submitted to the Board of Directors for approval, and such requests may be approved provided the expenditures do not exceed funds necessary for the continued operation of the Foundation.

Section 4. Audit. The accounts of the Foundation shall be examined not less frequently than annually by a certified public accountant selected by the Board of Directors. The examination of the accounts may constitute a compilation or review at the discretion of the Board of Directors and subject to the cost of such services. The certified public accountant so selected shall provide a written report to the Board of Directors.

ARTICLE XIII. AMENDMENT TO THE BYLAWS

Section 1. Amendments. Amendments to the Bylaws may be proposed by any member in good standing. Such amendments shall be submitted in writing not later than sixty days prior to the Annual Meeting and shall be submitted to the Board of Directors.

Section 2. Notification. Notice of any proposed change, after review for format by the Board of Directors, must be sent in writing to the membership not less than thirty days prior to the Annual Meeting. The notice shall include the proposed amendment, the reasons for the recommended change, and the recommendation of the Board of Directors for or against the proposed amendment. Amendments to the Bylaws require the affirmative vote of two-thirds of the members voting. Amendments will become effective immediately upon adoption unless the amendment itself otherwise provides.

Section 3. Prohibited Amendments. No amendment shall be considered which would permit the Foundation to be operated for profit or for the enrichment of any person. No amendment shall be considered which is against the Articles of Incorporation.

ARTICLE XIV. INDEMNIFICATION

Section 1. Limits of Indemnification. To the fullest extent permitted by law, the Foundation shall indemnify all Directors, officers, employees and/or agents of the Foundation against expenses actually and reasonably incurred by them in connection with the defense of any civil action, suit or proceeding in which they are made or threatened to be made a party by reason of having been a Director, officer, employee or agent; except in relation to matters as to which they are adjudged in the action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of their duties for the Foundation, in which they received an improper personal benefit.

ARTICLE XV. GENERAL PROVISIONS

Section 1. Financial Obligations. All notes, drafts, contracts or other obligations of the Foundation shall be signed in the Foundation's behalf by the Chair or such other person as is designated by the Board of Directors. The corporation shall establish and maintain an appropriate account in an insured financial institution to conduct financial transactions for the foundation.

Section 2. Corporate Seal. The seal of the Foundation shall bear the words "corporate seal," the name of the Foundation and the year of its organization. The seal shall be kept in the custody of the Secretary and shall be affixed to documents as required by law.