

## ARTICLE VII - Limitation of Liability

**Section 7.1. LIMITATION OF LIABILITY. DIRECTEMPLOYERS ASSOCIATION'S LIABILITY TO ITS MEMBERS, AND VISE VERSA, IS LIMITED PURSUANT TO THE ACT, THE ARTICLES OF INCORPORATION AND THE FOLLOWING:**

- (1) THE BOARD OF DIRECTORS, PRESIDENT, EXECUTIVE DIRECTOR, OR ANY OTHER OFFICER OR EMPLOYEE OF DIRECTEMPLOYERS ASSOCIATION SHALL HAVE NO POWER TO BIND MEMBER ORGANIZATIONS, INDIVIDUAL EMPLOYEES OF MEMBER ORGANIZATIONS, OR INDIVIDUALS OF DIRECTEMPLOYERS ASSOCIATION PERSONALLY OR TO CALL UPON THEM FOR THE PAYMENT OF ANY SUM OF MONEY OR ANY ASSESSMENTS WHATEVER OTHER THAN SUCH SUMS AS THEY MAY AT ANY TIME PERSONALLY AGREE IN WRITING TO PAY TO DIRECTEMPLOYERS ASSOCIATION.
- (2) ALL PERSONS OR CORPORATIONS EXTENDING CREDIT TO, CONTRACTING WITH, OR HAVING ANY CLAIM AGAINST DIRECTEMPLOYERS ASSOCIATION OR THE BOARD OF DIRECTORS SHALL LOOK ONLY TO THE FUNDS OR PROPERTY OF DIRECTEMPLOYERS ASSOCIATION FOR THE PAYMENT OF ANY SUCH CONTRACT OR CLAIM OR FOR THE PAYMENT OF DEBT, DAMAGE OR JUDGMENT OR DECREE OR FROM ANY MONEY THAT MAY OTHERWISE BECOME DUE OR PAYABLE TO THEM FROM DIRECTEMPLOYERS ASSOCIATION OR THE BOARD OF DIRECTORS AND NEITHER THE MEMBERS OF DIRECTEMPLOYERS ASSOCIATION, THE DIRECTORS OR THE OFFICERS PRESENT OR FUTURE SHALL BE PERSONALLY LIABLE THEREFOR.
- (3) THE RELATIONSHIP BETWEEN DIRECTEMPLOYERS ASSOCIATION AND ITS MEMBERS IS GOVERNED BY THE ACT AND THE COMMON LAW OF INDIANA. A MEMBER OF DIRECTEMPLOYERS ASSOCIATION MERELY HAS A RIGHT TO THE JOINT USE AND ENJOYMENT OF THE CORPORATION PROPERTY SO LONG AS THAT MEMBER CONTINUES TO MAINTAIN A MEMBERSHIP WITH THE ASSOCIATION. UNDER THESE BYLAWS AND THE TERMS OF MEMBERSHIP DIRECTEMPLOYERS ASSOCIATION, ITS AGENTS OR CONTRACTORS, NOR ANY MEMBER WILL BE LIABLE TO THE OTHER OR ANY OTHER PARTY OR ANY OTHER PERSON FOR LOST PROFITS, FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY ARISING IN ANY WAY OUT OF THE USE OF THE DirectEmployers NAME OR ASSOCIATED SERVICES, MEMBERSHIP TO THE ASSOCIATION, OR THE TERMINATION THEREOF, INCLUDING, WITHOUT LIMITATION, ANY SUCH DAMAGE FOR LOSS OF PROFITS, LOSS OF REVENUES OR GOODWILL ALLEGEDLY CAUSED BY LOST DATA, ERROR, OMISSIONS, DELETIONS, DEFECTS, DELAY IN OPERATION OR TRANSMISSION, COMMUNICATION LINE FAILURE, INTERRUPTION, NON-DELIVERS, MISTAKEN DELIVERIES, BREACH OF CONTRACT, TORTUOUS BEHAVIOR, NEGLIGENCE, OR

**UNDER ANY OTHER CAUSE OF ACTION, WHETHER OR NOT SUCH PARTY, WHO IS ALLEGEDLY DAMAGED, HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH ALLEGED DAMAGE, AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED IN THESE BYLAWS OR THE TERMS OF MEMBERSHIP. IN ANY EVENT, LIABILITY OF DIRECTEMPLOYERS ASSOCIATION, ITS AGENTS OR CONTRACTORS, TO A MEMBER, OR VICE VERSA, SHALL BE STRICKLY LIMITED TO THE AMOUNT PAID BY OR ON BEHALF OF THE MEMBER TO DIRECTEMPLOYERS ASSOCIATION IN THE PRECEEDING TWELVE (12) MONTHS PRORATED FROM THE DATE THAT SUCH LIABILITY WAS ESTABLISHED.**