
**BYLAWS OF THE
7-ELEVEN FRANCHISE OWNERS ASSOCIATION
OF SOUTHERN CALIFORNIA**

April, 2015

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**BYLAWS OF
7-ELEVEN FRANCHISE OWNERS ASSOCIATION
OF SOUTHERN CALIFORNIA (FOASC),
AN UNINCORPORATED ASSOCIATION**

Article 1. General Provisions

1.1 **Name.** The name of this association is “7-Eleven Franchise Owners Association of Southern California” (the “**Association**”), which is an unincorporated association formed under Section 1800 *et seq.* of the Corporation Code of California (the “**Law**”).

1.2 **Bylaws.** These bylaws (the “**Bylaws**”) are intended to be the governing document (as defined in Section 18008 of the Law) of the Association and shall regulate the activities of the Association in accordance with the Law. These Bylaws define the specific purpose of the Association, duties and responsibilities of its Members, Officers and Directors.

1.3 **Purposes.** The purposes for which this Association is formed and the primary purposes of this Association shall be:

(a) To undertake those lawful activities that can be conducted most effectively by cooperative effort with a goal toward the development of operational procedures that would mutually benefit the Association and its Members;

(b) The development and adoption of promotional, advertising and merchandising programs designed to strengthen and increase sales of each Franchise;

(c) The encouragement and education of each Member as to the value of a more effective exchange of information concerning all phases of operation of a Franchise;

(d) The advancement of new ideas, the discussion of system-wide problems, and the focus on attention on various matters as they relate to managing and operating a significant number of Franchises;

(e) The periodic review of communications to assure a general understanding and appreciation of programs and plans as developed by the Company and by the Board and Officers of the Association;

(f) The fostering of continual understanding and cooperation between individual Members and Company executives thus making possible the many benefits derived from a free and informal exchange of thoughts and experience; and

(g) The encouragement of thought and development on new operational procedures to continually reflect the high quality of service and facilities in the light of current customer preference.

The purposes set forth in this Section 1.3 shall be deemed to be the governing principals (as defined in Section 18010 of the Law) of the Association (“**Purposes**”).

1.4 **Powers.** The powers of the Association (the “**Powers**”) shall be exercised, its property controlled, and its affairs conducted by the **Board** (as defined below) and its Officers as set forth in these Bylaws and permitted by Law. The Powers of the Association include, but are not limited to, the following:

(a) Entering into and performing contracts in its own name, *provided, however*, that to the maximum extent permitted by the Law no Member, Director or Officer shall be individually or personally liable for the debts or liabilities contracted or incurred by the Association in leases, leasing, repair, or furnishing of building or other structures, to be used for the purpose of the Association, unless such Member, Officer or Director in a writing signed by him or by his agent assumes such debt or liability; and, *provided further*, there is no presumption of inference that any Member, Officer or Director has consented or agreed to the incurring of any obligation by the Association from the mere fact of joining or being a Member, Officer or Director hereof, or signing the Bylaws;

(b) To sue and be sued in its own name;

(c) To enter into any of the commercial transactions authorized by the California Commercial Code, including without limitation, the right to be a party to and negotiate paper, subject to any conditions, restrictions, or requirements imposed by applicable law;

(d) To adopt, alter, or cancel an insignia and to register such insignia, alteration, or cancellation thereof in the office of the Secretary of State of California; and

(e) To exercise all other legally permitted rights and powers now conferred, or which may hereafter be conferred, on such association by applicable law, or which do not contravene the law or public policy of the State of California.

Notwithstanding any of the foregoing provisions, this Association shall not, except to an insubstantial degree, engage in any activities or exercise any Powers that are not in furtherance of the Purposes of this Association.

Article 2. Office

2.1 **Principal Office.** The principal office of the Association may be within or outside of the State of California as such places as are approved by the Board from time to time by resolution.

2.2 **Insurance.** Association will always keep and maintain liability insurance for a minimum amount of One Million Dollars to cover any liability.

Article 3. Members

3.1 **Admission to Membership.**

(a) **Eligibility.** To be eligible for membership in the Association, an applicant (including any current member of the Association as of immediately prior to the adoption of these Bylaws) must be:

(i) a natural person; and

(ii) the record holder of a franchise for a “7-Eleven Store” (each, a “**Franchise**”) issued by 7-Eleven Inc., a Texas corporation (the “**Company**”),

A franchisor who is a record holder of multiple stores is eligible to acquire one membership interest per store. In other words, an owner of multiple stores may hold more than one membership interest in the Association. As such, each store is eligible to cast one vote.

(b) **Application for Membership.** Each Eligible Persons desire to be admitted as a member of the Association and any current member of the Association as of immediately prior to the adoption of these Bylaws that desires to continue as a member of the Association shall be admitted to or retain, as applicable, membership in the Association upon submitting of an application for membership on such form as shall be prescribed from time to time by the Board (an “**Application**”), upon agreeing in writing to abide by all terms and conditions of the Bylaws, and upon making payment of the initial application fee in the amount determined by the Board from time to time (the “**Application Fee**”), shall be admitted as a member.

3.2 **Classes of Membership.** The Association shall have one (1) class of Members only. The membership, voting and other rights, interests and privileges of each Member shall be equal.

3.3 **Annual Dues and Assessments.**

(a) **Annual Dues.** All Members shall pay annual dues in such amount as shall be approved from time to time by resolution of the Board (“**Dues**”).

(b) **Assessments.** Membership in the Association is subject to assessments. The amount of each assessment and the method of collection shall be fixed from time to time by resolution of the Board (“**Assessments**”).

(c) **Payment.** Dues and Assessments paid to the Association become the property of the Association, and any severable or individual interest of any Member therein terminates immediately upon on such payment to the Association.

3.4 **Termination of Membership.**

(a) **Automatic Termination.** The membership of any Member shall automatically terminate:

(i) upon the Member's delivery of a written notice of termination from such Member delivered to the 7 Eleven Inc., such membership to terminate on the date the request is received or such later date as may be specified in such notice; or

(ii) with respect to any current member of the Association as of immediately prior to the adoption of these Bylaws, upon the Effective Date (as defined below) of these Bylaws as set forth in Section 11.1 below if such individual fails to comply with the provisions of Section 3.1(b) for continued membership in the Association on or prior to the Effective Date.

(b) **Termination for Failure to Pay Dues.** The membership of any Member who fails to pay his or her Dues or Assessments when due shall automatically terminate for non-payment of Dues or Assessments if they are not fully paid within thirty (30) days after written notice is delivered to the Member of non-payment of such Dues or Assessments.

(c) **Rights Upon Termination.** All rights and interests of a Member shall cease upon termination of membership as herein provided. Any Member whose Membership is terminated shall not be entitled to the return or refund of any Dues, Assessments or other fees previously paid by such terminated Member.

(d) **Reinstatement of Terminated Membership.** Any Member whose membership is terminated pursuant to this Section 3.4 and whose termination has lasted for at least one (1) year or longer may have his or her membership reinstated by the Board following a written request therefore by such former Member delivered to the President or Secretary.

3.5 **Reprimand, Suspension of Membership and Expulsion For Good Cause.**

(a) **Reprimand, Suspension and Expulsion.** Subject to the provisions of Section 3.5(c) below, the Board is authorized to privately or publically reprimand, suspend, or expel a member from membership, for a good cause, for a period of not more than one (1) year.

(b) **Definitions.**

(i) **Good Cause.** As used herein, the term "Good Cause" shall mean, in each instance as determined by the Board in good faith, (A) any conduct by a Member that brings the Association into public dispute or violates the Purposes for which this Association is formed, (B) any willful failure or refusal by a Member to abide by the Bylaws or other rules of this Association or (C) any unprofessional conduct with other Members, Officers, Directors or Company officials.

(ii) **Private Reprimand.** As used herein, the terms "private reprimand" and "privately reprimand" shall mean a reprimand authorized by the Board, delivered to a Member in written form as approved by the Board and signed by the President of the Association, which sets forth, in reasonable details, the conduct of the Member determined by the Board to constitute Good Cause for a reprimand, suspension or expulsion. A copy of such written reprimand shall be filed with the minutes of the Board meeting approving such private reprimand. Private reprimand does not take away a member's right to vote.

(iii) **Public Reprimand.** As used herein, the terms “public reprimand” and “publically reprimand” shall mean a reprimand authorized by the Board, delivered to a Member in written form as approved by the Board and signed by the President of the Association, which sets forth, in reasonable detail, the conduct of the Member determined by the Board to constitute Good Cause for a reprimand, suspension or expulsion and which is also read, or made available, to the Members at the next scheduled meeting of Members. A copy of such written reprimand shall be filed with the minutes of the Board meeting approving such public reprimand and the minutes of the meeting of the Members at which such reprimand is read or made available. Public reprimand does not take away a members right to vote.

(iv) **Suspend.** As used herein, the terms “suspend” and “suspension” shall mean a disciplinary action imposed upon a Member as authorized and approved by the Board in which all of such Member’s voting and other rights as a member of the Association are temporarily terminated for a period of time as determined by the Board; *provided, however*, that such Member remains a member of the Association during such period of time and also remains liable to the Association for payment of Dues and Assessments falling due or levied during the period of such suspension.

(v) **Expel.** As used herein, the terms “expel” and “expulsion” shall mean a disciplinary action imposed upon a Member as authorized and approved by the Board in which such Member’s membership in the Association is terminated.

(c) **Procedure.**

(i) Prior to the Board approving any reprimand, suspension or expulsion of a Member, the Members must first adopt a resolution declaring that Good Cause exists to reprimand, suspend or expel the subject Member and recommending that the Board institute disciplinary proceedings (“**Disciplinary Proceedings**”) against such subject Member to determine if such Member should be reprimanded, suspended or expelled (the “**Membership Disciplinary Resolution**”).

(ii) On adoption of the Membership Disciplinary Resolution, the President, or if he is unable or refuses to act, the Vice-President, shall schedule the Disciplinary Proceedings and other matters in connection therewith to be heard by the Board at the next regular or special meeting held not less than twenty (20) days after the date the Membership Disciplinary Resolution is adopted. The Secretary, or other person appointed by the President for the purpose, shall deliver at least ten (10) days prior to the date of the Board meeting called for the purpose of conducting the Disciplinary Proceedings (the “**Disciplinary Meeting**”) a copy of the Membership Disciplinary Resolution, together with a notice of the time and place of the hearing, to the subject Member. Should the person whose duty it is to serve the notice fail or refuse to do so, such copy and notice may be delivered as herein provided by any Officer, and in such event the Disciplinary Meeting shall be conducted at the next regular or special meeting of the Board. If a quorum of Directors fails to attend the Disciplinary Meeting, the Disciplinary Meeting shall be moved to the next succeeding regular or special meeting of the Board; *provided, however*, that if a quorum fails to attend such next succeeding regular or special meeting the Disciplinary Proceedings against the subject Member shall be dismissed. Such dismissal shall be automatic and final, except that the alleged conduct of the subject Member

giving rise to the Disciplinary Proceedings may be considered in any subsequent Disciplinary Proceedings under this Section 3.5 based on future alleged conduct that constitutes Good Cause.

(iii) Notwithstanding any other provision in these Bylaws, notice of the Disciplinary Meeting at which the Disciplinary Proceedings is first scheduled or subsequently scheduled shall be given to all Directors as required by these Bylaws for special meetings of Directors.

(iv) The Disciplinary Proceedings conducted at the Disciplinary Meeting shall be informal and the rules of evidence and rules of judicial procedure need not be observed. The Disciplinary Proceedings shall be presided over by the President who shall (A) read the charges set forth in the Membership Disciplinary Resolution against the subject Member; (B) require that such charges be verified by the testimony of the person or persons making them; (C) hear any other witnesses against the subject Member; (D) allow the subject Member to cross-examine each witness; (E) allow the subject Member to make a statement in his or her own behalf; (F) allow the subject Member to call witnesses in his or her own behalf; (G) allow the Officers present, when and as recognized by the chair, and subject to the control of the chair, to question any witnesses; and (H) rule on the admission and exclusion of evidence and on questions of hearing procedure.

(v) After the Disciplinary Proceedings have closed, the Board shall vote on whether to (A) reprimand, suspend or expel the subject Member in accordance with Section 3.5(a) above or (B) dismiss the matter without discipline. The vote imposing discipline or dismissing the matter shall in either event be final.

3.6 **Membership Records.** The Association shall keep a membership book containing the name and address of each Member. Termination of the membership of any Member shall be recorded in such book, together with the manner of termination and the date on which such membership ceased. Such book shall be kept at the Association's principal office, and a copy of such book shall be available to any Director upon request.

3.7 **Membership Non-Transferable.** Membership in this Association is non-transferable and non-assignable.

3.8 **Access to Books and Records.** All books and records of this Association shall be open to inspection on the written demand of any Member to the Board at any reasonable time for a purpose reasonably related to his or her interest as a Member.

3.9 **Authority of the Members.** No Member shall have any authority to act for, or to assume any obligations or responsibility on behalf of, or bind any other Member or the Association. Each of the Members agree that he or she shall not represent to any third party with whom such Member is in contact concerning the affairs or the business of the Association that such Member has any authority to act for, or to assume any obligations or responsibilities on behalf of, the Association unless expressly authorized by the Board. Members shall take action in their capacities as Members only at a meeting of the Members or by written action as provided in these Bylaws.

Article 4. Meetings of Members

4.1 **Place and Time of Meetings.** Meetings of the Members may be held at such place and at such time as may be designated by the Board. In the absence of a designation of place, meetings shall be held at the principal office of the Association. In the absence of a designation of time, meetings shall be held at 10:00 a.m. (local time).

4.2 **Regular Meetings.** Regular meetings of Members shall be held at least four (4) times per year at such date and time as shall be determined by the Board.

4.3 **Special Meetings.** Special meetings of the Members for any purpose or purposes shall be called by the Secretary at the written demand of (i) the President, (b) the Vice President, (c) the Board, (d) at least five (5) Directors or (d) at least twenty five percent (25%) of the Members. Such demand shall state the purpose or purposes of the proposed meeting. Within ten days after receiving a proper demand to call a meeting, the Secretary shall cause a meeting to be duly called on a business day determined by the Secretary within 90 days after the date of receipt of such request. Business transacted at any special meeting shall be limited to the purpose or purposes stated in the demand.

4.4 **Notices of Meetings.** A written notice of each regular and special meeting of Members shall be given not less than ten nor more than 60 days before the date of such meeting to each Member. Every notice of a meeting of Members shall state the place, date and hour of the meeting and the purpose or purposes for which the meeting is called.

4.5 **Waiver of Notice.** Notice of any regular or special meeting may be waived either before, at or after such meeting in writing signed by the Member entitled to the notice. Attendance by a Member at a meeting shall constitute a waiver of notice of such meeting, unless the Member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened.

4.6 **Quorum; Adjourned Meetings.** The presence, in person, of at least twenty five percent (25%) of the Members of the Association shall constitute a quorum for the transaction of business at any regular or special meeting of the Members. If a quorum is not present at a meeting, the Members present shall adjourn to such day as they shall agree upon by a vote of a majority of the Members present. Notice of any adjourned meeting need not be given if the date, time and place thereof are announced at the meeting at which the adjournment is taken. At adjourned meetings at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. If a quorum is present, the Members may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum.

4.7 **Conference Communications.** To the fullest extent permitted under applicable law, one or more Members may participate in a meeting by any means of communication through which all Members participating in the meeting may simultaneously hear each other during the meeting. For the purposes of establishing a quorum and taking any action at the meeting, Members participating pursuant to this Section 7 shall be deemed present in person at the meeting; and the place of the meeting shall be the place of origination of the conference telephone conversation or other comparable communication technique.

4.8 **Organization.** At each meeting of the Members, the President or, in his or her absence, the individual chosen by the vote of a majority of the Members present shall act as chair; and the Secretary or, in his or her absence, any Member whom the chair of the meeting shall appoint, shall act as secretary of the meeting.

4.9 **Order of Business.** The order of business at each meeting of the Members shall be determined by the chair of the meeting, but such order of business may be changed by the vote of a majority of the Members present.

4.10 **Voting.** Each paying store Member shall have one vote. Except where otherwise required by the Law or these Bylaws, all questions at a meeting shall be decided by a majority vote of the Members present at the meeting at the time of the vote.

4.11 **Written Action.** Any action that may be taken at a Members' meeting may be taken without a meeting, if done in writing and signed by at least fifty one percent (51%) of Members that could approve such action at a meeting of the Members at which all Members were present. When written action is taken by fewer than all Members, the Board shall notify all Members of the text and effective date of the action immediately. Failure to provide the notice does not invalidate the written action. Any electronic transmission consenting to an action to be taken and transmitted by a Member shall be deemed to be written for purposes of this Section 11, *provided that* any such electronic transmission sets forth information from which the Association can determine that the electronic transmission was transmitted by the Member. The date on which such electronic transmission is transmitted shall be deemed to be the date on which such consent was signed.

Article 5. Directors

5.1 **Authority of the Board of Directors.** Except as otherwise required by applicable law or these Bylaws, the business and affairs of the Association shall be managed by or under the authority of the Board of Directors (the "**Board**") comprised of Directors (each, a "**Director**"). The Board shall take action only at a meeting of the Board or by written action as provided in Article 6 below.

5.2 **Eligibility.** Only Members may serve as Directors. In order to be eligible to be a Director, a Member:

- (a) Must be in good standing with the Association;
- (b) Must be a Member for at least one year;
- (c) Must attend Members' meetings on regular basis;
- (d) All 7 Eleven franchise stores owned by a Director must be members of FOASC.
- (e) Must not hold membership in any other 7 Eleven franchise owners' association; and

(f) Must be a current owner of a Franchise, and all Franchises owned by such Member must be fully paid and in good standing with the 7 Eleven Inc.

5.3 **Appointment of Directors.** Directors shall be eligible for appointment without limitation on the number of terms they may serve provided they continue to meet the qualifications for office. Directors shall be appointed by the president and approved by the Board. The president may appoint three or more and the Board of Directors may approve three or more Directors from each geographical area as such area have been established by the Company.

5.4 **Duties.** It shall be the duty of the Directors to:

(a) Perform any and all duties imposed on them collectively or individually by law or these Bylaws;

(b) Employ on behalf of the Association such agents and employees as may be authorized from time to time by the Board;

(c) Supervise all Officers, agents, and employees of this Association to assure that their duties are properly performed;

(d) Register their addresses with the Secretary; and

(e) Analyze and recommend to the Members, policies and actions concerning the Purposes of the Association.

5.5 **Reimbursement of Certain Expenses.** Directors shall serve without compensation except that they shall be allowed and paid their actual and necessary expenses incurred in performance of their duties as Directors with the approval of the Board. Directors shall not be entitled to any expenses incurred in attending Directors' meetings.

5.6 **Removal.** The entire Board, or any individual Director, may be removed from office at any time by the vote of a majority of all the Members. If any or all Directors are so removed, new Directors may be appointed at the same meeting and they shall hold office for the remainder of the terms of the removed Directors. If new Directors are not appointed at such meeting, the vacancy or vacancies created by the removal shall be filled as provided in the next section.

5.7 **Vacancy.** Vacancies in the Board shall exist:

(a) on the death, resignation or removal of any Directors;

(b) whenever the number of Directors authorized by the Bylaws is increased by an amendment to the Bylaws.

5.9 **Declaration of Vacancy.** The Board may declare vacant the office of a Director

(a) if he is declared of unsound mind by an order of any court of competent jurisdiction, or convicted of a felony;

(b) if within thirty (30) days after notice of his appointment he or she does not accept the office either in writing or by attending a meeting of the Board; or

(c) if a Director fails to attend three (3) consecutive Board meetings without reasonable cause.

A Director whose office is declared vacant pursuant to Section 5.9(c) shall be given the opportunity to present to the Board in writing his or her reasons for not attending the meetings. If the Board decides his or her reasons for absence were not reasonable, the Director shall be removed and such Director's office shall be deemed vacant.

5.10 **Filing of Vacancy.**

(a) **Filing of Vacancy by Directors.** Any vacancies on the Board may be filled by a majority of the remaining Directors, though less than a quorum, or by a sole remaining Director.

(b) **Filing of Vacancy by Members.** A majority of the Members may appoint a Director at any time to fill any vacancy not filled by the Directors provided in this Section 5.10. Should there be no remaining Directors, the Secretary of the Association shall call a special meeting of the Members for the purpose of appointing Directors to fill such vacancies.

Article 6. Meetings of Directors

6.1 **Place of Meetings.** Meetings of the Board shall be held at the principal office or at such other place as may be agreed by the Directors from time to time.

6.2 **Regular Meetings.** Regular meetings of the Board may be held on an annual or other less frequent periodic basis as may be determined by the Board.

6.3 **Special Meetings.** A special meeting of the Board may be called for any purpose or purposes at any time by (i) the President, (ii) the Vice President or (iii) any five (5) Directors and who shall demand such special meeting by written notice given to the Secretary specifying the purposes of such meeting.

6.4 **Meetings Held Upon Director Demand.** Within five business days after the Secretary receives a valid demand for a meeting of the Board from at least five (5) Directors, it shall be the duty of the Secretary to cause a special or regular meeting of the Board, as the case may be, to be duly called and held on notice no later than five business days after receipt of such demand. If the Secretary fails to cause such a meeting to be called and held as required by this Section 6.4, the Directors making the demand may call the meeting by giving notice as provided in Section 6.6 at the expense of the Association.

6.5 **Adjournments.** Any meeting of the Board may be adjourned from time to time to another date, time and place. If any meeting of the Board is so adjourned, no notice as to such

adjourned meeting need be given if the date, time and place at which the meeting will be reconvened are announced at the time of adjournment.

6.6 **Notice of Meetings.** Unless otherwise required by law, written notice of each meeting of the Board, stating the date, time and place and, in the case of a special meeting, the purpose or purposes, shall be given at least three (3) days and not more than ninety (90) days before the meeting to every Director. A Director may waive notice of the date, time, place and purpose or purposes of a meeting of the Board. A waiver of notice is effective whether given before, at or after the meeting, and whether given in writing, orally or by attendance. Attendance by a Director at a meeting is a waiver of notice of that meeting, unless the Director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened.

6.7 **Quorum.** A majority of the authorized number of Directors constitutes a quorum for the transaction of business at each meeting of the Board.

6.8 **Absent Directors.** A Director may give advance written consent or opposition to a proposal to be acted on at a meeting of the Board. If such Director is not present at the meeting, such consent or opposition to a proposal does not constitute presence for purposes of determining the existence of a quorum, but such consent or opposition shall be counted as a vote in favor of or against the proposal and shall be entered in the minutes or other record of action at the meeting, if the proposal acted on at the meeting is substantially the same or has substantially the same effect as the proposal to which the Director has consented or objected.

6.9 **Conference Communications.** To the fullest extent permitted under applicable law, any or all of the Directors may participate in any meeting of the Board, or of any duly constituted committee thereof, by any means of communication through which the participating Directors may simultaneously hear each other during such meeting. For the purposes of establishing a quorum and taking any action at the meeting, Directors participating pursuant to this Section 6.9 shall be deemed present in person at the meeting; and the place of the meeting shall be the place of origination of the conference telephone conversation or other comparable communication technique.

6.10 **Written Action.** Any action which might be taken at a meeting of the Board, or any duly constituted committee thereof, may be taken without a meeting if done in writing and signed by all the Directors. Any electronic transmission consenting to an action to be taken and transmitted by a Director shall be deemed to be written for purposes of this Section 6.10, *provided that* any such electronic transmission sets forth information from which the Association can determine that the electronic transmission was transmitted by the Director. The date on which such electronic transmission is transmitted shall be deemed to be the date on which such consent was signed.

Article 7. Officers

7.1 **Number and Qualification.** The officers of the Association shall be a President, a Vice-President, a Secretary, a Treasurer, and a Sergeant-at-Arms (each an “**Officer**” and collectively, the “**Officers**”). Any Member in good standing of this Association who has been member for at least 24 months from the cutoff date as described in Clause 8.3 (a) of the By-Laws is qualified to be an Officer hereof.

7.2 **Term of Office.** The term of office for all current officers of the Association as of immediately prior to the Effective Date will hold office until December 31, 2015. All Officers elected pursuant to the terms of these Bylaws on or after the Effective Date will hold their offices for two (2) years starting January 1st following the election year. The Officers may hold offices for maximum two (2) consecutive terms on the same post (inclusive of any offices held prior to the Effective Date). An Officer elected to fill a vacancy shall hold office for the unexpired terms of their predecessors, or until their removal or resignation as in these Bylaws provided.

7.3 **Election.** The Officers (other than the Sergeant at-Arms) shall be elected by a vote of the Members from time to time in accordance with Article 8 below. The Sergeant at-Arms shall be appointed by the President and approved by the Board. The Officers shall take office on January 1st following the election year.

7.4 **Compensation.** Officers shall serve without compensation except that they shall be entitled to be paid their actual and necessary verified expenses incurred in performance of their duties as officers with the approval of the majority of Directors; *provided, however*, they shall not be entitled to any expenses in attending Board meetings.

7.5 **Removal.** Any or all Officers may be removed from office at any time by the vote or written consent of a majority of all the Members. In the case of the removal of any Officer, a new Officer shall be elected to serve the unexpired portion of the term of his predecessor at the meeting at which the officer is removed.

7.6 **Vacancy.** Vacancies in the office of any Officer shall exist on the death, resignation, or removal of such Officer or on the failure of the Members (or the Board as to the Sergeant-at Arms) in any election to fill the office.

7.7 **Declaration of Vacancy.** The Board may declare vacant the office of President, Vice-President, Secretary or Treasurer if any such Officer:

(a) Is declared of unsound mind by order of any court of competent jurisdiction;

(b) Is convicted of a felony; or

(c) If, within fifteen (15) days after notice of his election, such Officer does not accept the office in writing or by attending a meeting of the Members.

7.8 **Filing of Vacancy.** All vacancies in the offices of any Officers (other than the Sergeant-at-Arms) shall be filled by the Members at the next regular or special meeting at which a quorum is present following the vacancy.

7.9 **President.** The President shall be the chief executive officer of the Association and shall in general, subject to the control of the Board, supervise and control the affairs of the Association. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, these Bylaws or which may be assigned to him or her from time to time by the Board.

7.10 **Vice-President.** In the absence of the President, or in the event of his or her inability or refusal to act, the Vice-President shall perform the duties of President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. He or she shall have such other powers and perform such other duties as may be prescribed by law, these Bylaws or which may be assigned to him or her from time to time by the Board or President.

7.11 **Secretary.** The Secretary shall:

(a) Certify and keep at the principal office of the Association the original, or a copy, of the Bylaws as amended or otherwise altered to date;

(b) Keep at the principal office of the Association, a book of minutes of all meetings of Members, recording therein the time and place of holding, whether regular or special, and if special, how authorized, notice thereof given, the number of Members present at Members' meeting, and the proceedings thereof;

(c) See that all notices are duly given in accordance with the provisions of these Bylaws or as may be required by law;

(d) Be custodian of the records of the Association;

(e) Keep at the principal office of the Association a membership book containing the name and address of each Member, and, in the case where membership has been terminated, record such fact in the book, together with the manner of termination and the date on which the membership ceased;

(f) Exhibit at all reasonable times to any elected Officer or Director of the Association, or to his or her agent or attorney, on request therefor, the Bylaws, the membership book and the minutes of the proceedings of Members' meetings;

(g) Exhibit at all reasonable times to any Member, upon the prior approval of the Members, or to his or her agent or attorney, on written demand therefor for a purpose reasonably related to the interests of such Member in the Association, the Bylaws and the minutes of Members' meetings, and he or she shall exhibit said records at any time when required by the demand of at least a majority of all Members at a regularly scheduled meeting;

(h) In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, the Bylaws, or which may be assigned to him or her from time to time by the President or Board; and

(i) Keep the roll call records of the Members' meetings and Board meetings. He or she must report at each Board meeting if any Director has missed three (3) consecutive meetings. The Secretary must make a motion to remove the said Director or Directors from the Board for failure to attend three consecutive meetings.

7.12 **Treasurer.** Subject to the provisions these Bylaws, the Treasurer shall:

(a) Have charge and custody of, and be responsible for, all funds and securities of the Association in such banks, trust companies, or other depositaries as shall be selected by the Board;

(b) Receive, and give receipt for, moneys due and payable to the Association from any source whatever;

(c) Disburse or cause to be disbursed the funds of the Association as may be directed by the Board, taking proper vouchers for such disbursements;

(d) Keep and maintain adequate and correct accounts of the Association's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses;

(e) Exhibit at all reasonable times the books of account and financial records to any Officer of the Association, or to his agent or attorney, on request therefor;

(f) Exhibit at all reasonable times to any Member, his or her agent, or attorney, on written demand therefor for a purpose reasonable related to the interests of such member in the Association, the books of account and financial records of the Association, and shall exhibit said records at any time when required by the demand of at least a majority of all the Members at a regularly scheduled or special meeting;

(g) Render to the President and Directors whenever they request it, an account of any or all of his or her transactions as Treasurer and of the financial condition of the Association;

(h) Prepare, or cause to be prepared, the financial statements to be included in the annual report to Members after having attained approval thereof from the Board;

(i) If required by the Board, give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine, the premium for such bond being a proper charge to the Association;

(j) Provide monthly detailed financial reports to the Board at the end of each month and make them available to any Member upon request; and

(k) In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, the Bylaws, or which may be assigned to him or her from time to time by the President or Board.

7.13 **Sergeant-at-Arms.** The Sergeant-at-Arms shall be appointed by the President and approved by the Board for a two (2) year term, shall attend all meetings of the Members and it shall be his or her duty to maintain order at all such meetings and to determine the existence of a quorum. He or she shall perform such other duties as may be assigned to him or her from time to time by the President or Board.

Article 8. Elections

8.1 **Occurrence.** Elections for Officers will be held every two (2) years.

8.2 **Election Commission.** An election commission (the “**Election Commission**”) shall be formed to oversee the creation, distribution, and tally of ballots.

(a) **Appointment of Chair.** The Board shall appoint the chair of the Election Commission (the “**Chair**”) on or before June 30th of the election year.

(b) **Creation of Election Commission.** The Chair will appoint two (2) additional Members to the Election Commission with the approval of the Board on or before July 15th of the election year.

8.3 **Voter Eligibility.**

(a) **Cut-off Date.** The cut-off date for voter eligibility will be the 30th day of June. Only those Members whose Dues are paid and their Application has been received (from new Members) and accepted before this date will be eligible to vote in the elections for Officers. At the time of voting, Member must be in good standing.

(b) **List of Eligible Members.**

(i) The Secretary will provide the list of eligible Members to vote to the Election Commission on or before July 31st of the election year.

(ii) The Election Commission after verification will prepare and circulate the final list of all eligible voters amongst all candidates on or before the 15th day of October.

(c) **Candidate Nomination.** The Election Commission will send the nomination papers to all eligible Members by the 31st day of August of the election year.

(i) The candidate nomination must be received by the Election Commission by the 30th day of September of the election year.

(ii) The last date to withdraw a nomination will be the 10th day of October of the election year.

(iii) A Member can only contest for one office position.

8.4 **Election Day.** The Elections will be conducted during the month of November Member's meeting through a secrete ballot. All voters will be required to be present to vote, no proxy will be accepted.

8.5 **Tally of Ballots.** All ballots will be counted the same day by the Elections Commission.

8.6 **Announcement of Election Results.** After the ballot counting, the Election Commission will announce the results on the same day.

8.7 **Holidays and Weekends.** If any of the above dates falls on a holiday or weekend then the following business date will be considered for the conduct of election process listed above.

8.8 **Election Conduct.**

(a) The Election Commission will have the power to adopt any method prescribed in these Bylaws or other reasonable procedures to ensure free and fair elections.

(b) The candidates must strictly follow the rules and guidelines provided by the Election Commission for the conduct of elections. Any candidate adopting unbecoming practices (as determined by the Election Commission) will be disqualified.

(c) The Election Commission will monitor the membership drive to determine the eligibility of each new Member. Any candidate adopting unbecoming practices (as determined by the Election Commission) that may artificially influence the outcome will be disqualified. The Election Commission shall immediately circulate any complaint from any Member among the Members upon its receipt. A two-thirds (2/3) majority vote of the Elections Commission is required for any disciplinary action.

(d) If any close relative of the Election Commission contests for the election, the Board will replace that member of the Election Commission with another member. The Board's decision regarding this matter will be final.

Article 9. Execution of Instruments, Deposits, and Funds

9.1 **Agreements.** The Board, except as otherwise expressly provided in the Bylaws, may by a duly approved resolution authorize any Officer or agent of the Association to enter into any contract and deliver any instrument in the name of, and on behalf of, the Association, and such authority may be general or confined to specific instances, provided, only that such contract or delivery is expressly authorized by the Bylaws or approved by the Board.

9.2 **Indebtedness.** Except as otherwise specifically determined by a duly approved resolution of the Board, as required by law or the Bylaws, checks, drafts, promissory notes, orders for the payment of money and other evidences of indebtedness of this Association shall be signed by the Treasurer and counter-signed by the President.

9.3 **Funds.** All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositaries as the Board may authorize from time to time.

Article 10. Committee's Role & Responsibilities

10.1 **Formation of a Committee.** The President, with the consent of the Board, can form or dissolve any committee.

10.2 **Eligibility of a Committee Member.**

- (a) Directors are eligible to become members of any committee.
- (b) In order to be eligible to be a member of a committee, a Member:
 - (i) Must be in good standing; and
 - (ii) Must not hold the chair position of more than one other committee.

10.3 **Term of Committee.** The term of a committee will be the same as the term of Officers and Directors. Committees will cease to work on December 31.

10.4 **Duties.**

(a) **Fulfill Tasks.** The members of each committee will be responsible to fulfill the tasks of their respective committee, and the members of each committee shall put their sincere effort in improving the image of the Association. All committee members are required to act in a professional and respectful manner with all other Members of the Association and representatives of the Company.

(b) **Progress Reports.** Each committees will be responsible for submitting a progress report in writing at the end of each calendar quarter to the Board. Upon failure by a committee to submit two (2) consecutive reports to the Board, such committee will automatically be dissolved without any further action by the Board or the members of the committee.

Article 11. Bylaws

11.1 **Adoption; Effective Date.** These Bylaws shall become effective thirty (30) calendar days following the later of their approval and adoption by (a) all of the Association's currently serving Directors and (b) a majority of all of the current members of the Association (such date, the "***Effective Date***").

11.2 **Amendment.** The Bylaws may be amended or repealed, in whole or in part, and new Bylaws adopted as set forth in this Section 11.2. Any amendment to, or repeal of, these Bylaws will be first approved by the Board and then put to the Members. Upon the approval of at least two thirds (2/3) of all the Members, the amendment or repeal will go into effect immediately, unless a future effective date is specified.

11.3 **New Members.** A copy of the Bylaws, as currently in effect, shall be provided to any new Member before he or she joins the Association.

Article 12. Reports, Fiscal Year, Insignia and Seal

12.1 **Annual Report.** The Officers and Directors shall cause to be prepared a written annual report, including a financial statement, and thereafter cause such report to be delivered to the Members in January of each year. The report shall summarize the Association's activities for the preceding year, the activities projected for the forthcoming year, and include a statement of projected expenses for the forthcoming year. The financial statement contained therein shall consist of a balance sheet as of the close of business of the Association's fiscal year and a summary of receipts and disbursements, both prepared in such manner and form as is sanctioned by sound accounting practices, and attested to as accurate by the Treasurer and the Board.

12.2 **Fiscal Year.** The fiscal year of the Association shall end on December 31st of each year.

12.3 **Seal.** The Board may adopt, use, alter, or cancel, an Association insignia or seal, or both, and by rule shall prescribe the time, manner, and place in which such insignia may be worn or used, which seal shall be in the custody of the Secretary.

Article 13. Construction

13.1 As used in these Bylaws:

- (a) The present tense includes the past and future tenses, and the future tense includes the present.
- (b) The masculine gender includes the feminine and neuter.
- (c) The singular number includes the plural, and the plural number includes the singular.
- (d) The word "shall" is mandatory and the word "may" is permissive.

Article 14. Miscellaneous

14.1 **Notices.** All notices, demands and other communications to be given or delivered under or by reason of the provisions of these Bylaws will be in writing. Without limiting the manner by which written notice may otherwise be given, any notice shall be effective if given by a form of electronic transmission consented to in writing by the person to whom the notice is given, which consent has not been revoked in writing. Notice will be deemed to have been given (i) when delivered if personally delivered by hand (with written confirmation of receipt), (ii) when received if sent by a nationally recognized overnight courier service (receipt requested), (iii) five Business Days after being mailed to a person's address set forth in the records of the Association or designated in writing by such person, if sent by first class mail, return receipt requested, (iv) when receipt is acknowledged by an affirmative act of the party receiving notice, (v) if sent by facsimile telecommunication, when directed to a number at which the person

receiving notice has consented to receive notice, (vi) if by electronic mail, when directed to an electronic mail address at which the person receiving notice has consented to receive notice, or (vii) if by any other form of electronic transmission, when directed to the person who is receiving notice. All notices to the Association shall be addressed to its then current principal office directed to the attention of the Secretary. As used in these Bylaws, the term “**electronic transmission**” shall mean any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

14.2 **Dissolution.** This Association shall be dissolved and its affairs wound up upon the approval of at least seventy-five percent (75%) of all the Members, or by court decree and not otherwise.

14.3 **Remaining Assets.** Upon the dissolution or winding up of this Association, all remaining assets, after payment, or provision of payment, of the Association’s debts and liabilities, shall be sold at a public auction and the proceeds thereof distributed equally among all Members pro rata.