

Kite Trade Association International Bylaws

ARTICLE I

1. NAME. The name of the Association is the KITE TRADE ASSOCIATION INTERNATIONAL, a nonprofit corporation incorporated in the State of Maryland.

2. LOCATION. The Association may have such offices as may from time to time be designated by the Board of Directors.

3. PURPOSES. THE PURPOSE OF THE ASSOCIATION SHALL BE:

A) To advance by any and all means the kite industry - manufacturing, distributing and retailing; to share useful information; to collect authentic data; to provide communications between members of the kite trade at all levels, all within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1954 and any and all revisions thereof, including but not limited to 1) producing a newsletter as a means of communication between members regarding information useful to those in the kite industry; 2) conducting trade shows as a means of displaying available products, meeting members of the industry and sharing information; 3) conducting educational seminars; and 4) supporting the international, national and regional nonprofit educational associations which promote kiting and educate the general public in the art, history, technology and practice of building and flying kites; and

B) To consider and deal by all lawful means with common problems of management, such as those involved in the production, distribution, sales, promotion, employment, and financial functions of the kite industry; to foster cooperative action in advancing by all lawful means the common purposes of members, and promote activities designed to enable the industry to be conducted with the greatest economy and efficiency; and

C) To cooperate on behalf of the kiting industry with suppliers, insurers, and customers directly and through their associations in matters involving the business and government affairs of the industry and

D) To afford due consideration to and expression of opinion upon questions affecting the industry including promulgating policies and conducting activities for the betterment of all those individuals or firms involved in some aspect of the kite industry; and

E) To conduct or engage in all lawful activities in furtherance of the foregoing purposes, or incidental thereto.

ARTICLE II

1. RESTRICTIONS. All policies and activities of the Association shall be consistent with applicable international, federal, state and local antitrust trade regulations and other legal requirements and applicable tax-exemption requirements including the requirement that the Association not be organized for profit and that no part of its net earnings shall inure to the benefit of any private individual. Any activities of the Association or Association-related actions of its staff, officers, directors or members which violate these regulations and laws are detrimental to the interests of the Association and are unequivocally contrary to Association policy. The Association shall be nonracial, nonsectarian and shall wholly abstain from any political affiliation or endorsements for public office.

2. RESTRICTION OF ACTIVITY. All Association activities or discussions shall be avoided which might be construed as tending to: 1) raise, lower or stabilize prices; 2) regulate production; 3) allocate markets; 4) encourage boycotts; 5) foster unfair trade practices; 6) assist in monopolization; or in any way violate federal, state, local or applicable international trade regulations and antitrust laws.

3. DISCIPLINARY ACTION. Association members, officers, directors or employees who participate in conduct which the Board of Directors, by a two-thirds majority vote, determines to be contrary to the Association compliance policy shall be subject to disciplinary measures up to, and including, expulsion and/or termination.

ARTICLE III

1. VOTING MEMBERS.

The following membership classes may vote in Association elections and meetings, and are eligible to serve as directors or hold office in the Association. No more than one person from any Regular member firm can vote. Neither can more than one person at a time from any Regular member company serve as director of hold office in the Association.

A. Regular Members. Regular membership is available to businesses that support the goals of the Association and pay annual dues.

B. Sponsor Members. Sponsor members are dues-paying companies who wish to make an additional specified financial contribution toward the work of the Association.

C. Life and Honorary Members. Life and honorary membership is conferred upon individuals or firms according to terms specified by the Board of Directors. Life or honorary members pay no dues.

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2. APPOINTMENT OF REPRESENTATIVE.

A. Each voting member of the Association shall have only one vote.

B. Each member, voting or nonvoting, shall appoint and certify to the secretary of the Association a person to be its representative in the Association and who shall receive communications from the Association and act on behalf of the member.

C. If at any time, the designated representative shall be unable to act on behalf of the member; the member shall have the right to designate an alternate representative for purposes of representation of its point of view and interest, provided that the secretary is notified in writing of the appointment of such alternate representative.

3. ADMISSION OF MEMBERS. Admission to membership is by majority vote of the Board of Directors.

4. RESIGNATION. Any member may resign by filing a written resignation with the Board of Directors; however, resignation does not relieve a member from liability for dues accrued and unpaid as of the date of the resignation nor from any other financial obligation existing at the time of resignation.

5. EXPULSION. Any member may be expelled for adequate reason by a two-thirds vote of the Board of Directors. Failure to pay dues or to meet the criteria for membership is presumed to be adequate reason for expulsion and does not require advance notice to the member nor deliberation by the Board. Any member proposed for expulsion for another reason such as violation of the bylaws or any lawful rule or practice duly adopted by the Association, or any other conduct prejudicial to the interests of the Association or to the industry in general shall be sent written notice by certified or registered mail to the last recorded address of said member at least thirty (30) days prior to final action by the Board of Directors. Such notice shall include the reason for the proposed expulsion, opportunity to contest the proposed expulsion in writing or in person before the Board of Directors or to be represented by counsel. In addition, such member shall receive final written notice of the Board's decision.

6. DIVISION OF MEMBERSHIP. The members of the Association may be divided into divisions on the basis of type of business, including retailers, wholesalers and others. Members may also be formed into geographical divisions and/or such other divisions as may be designated by the Board of Directors. Each division may form such auxiliary organizations for the purpose of coordinating and aiding in the general purpose of the Association as may not be inconsistent with the articles of incorporation and bylaws or interfere in any way with the activities and affairs of the Association.

ARTICLE IV

1. DUES. The Board of Directors shall determine the annual dues for each category of membership of the Association.

2. DELINQUENCY. Members who fail to pay their dues within thirty (30) days from the time the same become due shall be notified by the Board of Directors or its designate, and if payment is not made within the next succeeding thirty (30) days, shall, without further notice and without hearing, be dropped from the rolls and thereupon forfeit all rights and privileges of membership; provided that the Board of Directors may by rule prescribe procedures for extending the time for payment of dues and continuation of membership privileges upon request of a member and for good cause shown.

3. REFUNDS. No dues will be refunded.

ARTICLE V

1. ANNUAL MEETING. There shall be an Annual Meeting of the Association during the month of January, unless otherwise ordered by the Board of Directors, for election of members of the Board of Directors, for receiving the Annual Report, and for the transaction of other business. Notice of such meeting shall be mailed to the last recorded address of each member at least sixty- (60) - days before the time appointed for the meeting.

2. SPECIAL MEETINGS. Special meetings of the Association may be called by the president or the Board of Directors, or shall be called by the president upon the written request of ten (10) members of the Association. Notice of any special meeting shall be mailed to each member at their last recorded address at least thirty- (30) days in advance, with a statement of time and place and information as to the subject or subjects to be considered.

3. QUORUM. Twenty (20) percent of the Regular membership of the Association shall constitute a quorum. A majority of those present, where a quorum exists, shall be necessary to make a decision except where some other number is required by law or by these bylaws.

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4. MAIL VOTING. Whenever, in the judgment of the Board of Directors, any question shall arise which it believes should be put to a vote of the Regular membership and when it deems it inexpedient to call a special meeting for such purpose, the directors may, unless otherwise required by these bylaws, submit such a matter to the membership in writing by mail for vote and decision, and the question thus presented shall be determined according to a majority of the votes received by mail within thirty (30) days after such submission to the membership, provided that in each case votes of at least one-third (1/3) of the members shall be received. Any and all action taken in pursuance of a majority mail vote in each such case shall be binding upon the Association in the same manner as would be action taken at a duly called meeting.

5. ORDER OF BUSINESS; RULES. The order of business at meetings shall be determined by the Board of Directors, but shall include: Call to order, reading of minutes, receiving financial statements, receiving correspondence, reports of officers, reports of committees, old business, new business, elections, adjournment. The order of business may be altered or suspended at any meeting by a majority vote of the members present. The usual parliamentary rules as laid down in *Sturgis, The Standard Code of Parliamentary Procedure* shall govern all deliberations, when not in conflict with these bylaws, and/or such rules for the orderly conduct and procedure of annual and special meetings of the Association, as the Board of Directors may from time to time prepare, which rules shall not conflict with the provisions of these bylaws.

ARTICLE VI

1. BOARD OF DIRECTORS. The Board of Directors shall have the supervision, control and direction of the affairs of the Association, shall determine its policies or changes therein within the limits of the bylaws, shall actively prosecute its purposes and shall have discretion in the disbursement of its funds. It may adopt such rules and regulations for the conduct of its business as shall be deemed advisable and may, in the execution of the powers granted, appoint such agents as it may consider necessary.

2. COMPOSITION OF THE BOARD. The Board of Directors shall consist of six members elected by and from Regular member firms. In addition, the most immediate past president shall serve on the board of directors as an ex-officio, nonvoting member for a period of one year. At all times the nominating committee shall strive for reasonable representation of various divisions of the Association, should they be established on the Board of Directors.

3. ELECTION AND TERMS OF OFFICE. At each annual meeting two directors shall be elected for a term of three years. Any director shall be eligible for re-election provided that a director shall serve a maximum of six consecutive years as a member on the Board of Directors. A person who has previously served as a director for a maximum term may again be elected one year after having last held the position. Directors shall, upon election, immediately enter upon the performance of their duties and shall continue in office until their successors shall be duly elected and qualified or unless they resign, are removed, or are unable to fulfill an unexpired term.

4. MEETINGS. Except that the Board shall have a regular meeting immediately following the scheduled annual meeting of the membership, the Board shall meet upon the call of the president at such times and places as he may designate, and shall be called to meet upon demand of a majority of its members. Notice of all meetings of the Board of Directors shall be sent by mail or other mode of transmittal to each member of the Board at their last recorded address at least ten (10) days in advance of such meetings.

5. QUORUM. A majority of the members of the Board shall constitute a quorum of any meeting of the Board. Any less number may adjourn from time to time until a quorum shall be present.

6. ABSENCE. Any member of the Board of Directors unable to attend a meeting shall notify the secretary, stating the reason for their absence. If a director is absent from two (2) consecutive meetings for reasons, which the Board has failed to determine sufficient, the Board member's resignation shall be deemed to have been tendered and accepted.

7. COMPENSATION. Directors shall not receive any compensation for their services as directors, but the Board may by resolution authorize reimbursement of such expenses incurred in the performance of their duties. Such authorization may prescribe procedures for approval of payment of such expenses by directors of the Association. Nothing herein shall preclude a director from serving the Association in any other capacity and receiving compensation for such services.

8. RESIGNATIONS OR REMOVAL. Any director may resign at any time by giving written notice to the president, the secretary, or to the Board of Directors. Such resignation shall take effect at the time specified therein, or, if no time is specified, at the time of acceptance thereof as determined by the president of the Board. Any director may be removed by a majority vote of the directors at any regular or special meeting at which a quorum is present.

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9. VACANCIES. Any vacancies that may occur on the Board by reason of resignation, removal or otherwise, may be filled by a majority vote of the remaining members of the Board. The new member shall serve until the next annual meeting when an election will be held to fill the remaining un-expired term of the Board member.

10. MAIL VOTING; CONFERENCE CALLS. Whenever, in the judgment of the president or a majority of the Board of Directors, any question shall arise which should be put to a vote of the Board and when it is deemed inexpedient to call a special meeting for such purpose, the directors may, unless otherwise required by these bylaws, consider the matter by means of a conference call or submit it to a mail vote. In case of conference call or mail vote, the number of directors necessary to take action shall be a majority of the whole board and any action taken shall require a majority of the directors participating. Any and all action taken pursuant to a mail vote or conference call of the directors in which a majority of the Board participated and in which a majority of those participating concur, shall be binding upon the Association in the same manner as would be action taken at a duly called meeting of the Board of Directors.

ARTICLE VII

1. OFFICERS The elective officers of this Association shall be a president, a vice president, a secretary/treasurer and the immediate past president.

2. QUALIFICATIONS. Officers must currently serve on the Board of Directors. No person may hold more than one office at the same time. Officers may serve consecutive terms.

3. ELECTIONS AND TERM OF OFFICE. Officers are elected by written ballot of the Board of Directors each year following the annual meeting of the Association's regular membership. Officers serve a term of one year and may be re-elected for one additional term but may not hold the same office for more than two consecutive years.

4. DUTIES. The officers perform those duties that are usual to their positions and that are assigned to them by the Board of Directors. The president of the Association shall act as chairman of the Board of Directors, shall preside at meetings of the Association and shall be a member ex-officio, with right to veto, of all committees except the nominating committee. The vice president shall act in place of the president when the president is not available. The secretary/treasurer shall be the financial officer of the Association, and shall make certain that proper notice of all meetings is given, that records of proceedings are kept, and that appropriate forms as required by law are filed.

5. VACANCIES. If a vacancy occurs among the officers, for any reason, the position may be filled for the un-expired term by a majority vote of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present.

6. REMOVAL. An officer may be removed for adequate reason by a two-thirds vote of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present.

7. COMPENSATION. Officers shall not receive any compensation for their services. The Board may by resolution authorize reimbursement of such expense incurred in the performance of their duties. Such authorization may prescribe procedures for approval of payment of such expenses by designated officers of the Association. Nothing herein shall preclude an officer from serving the Association in any other capacity and receiving compensation for such services.

8. BONDING. At the direction of the Board of Directors any officer or employee of the Association shall furnish, at the expense of the Association, a fidelity bond, in such a sum as the board shall prescribe.

9. POLICIES, PROCEDURES. The Board of Directors may establish rules and/or policies, procedures and programs for the Association that are consistent with these bylaws.

10. STAFF. At such time as it shall determine, the Board of Directors may employ or appoint a salaried staff, or contract for management services, to provide administration and management of the Association. Subject to the president and the Board, such staff shall provide administration and management of the Association and shall manage and direct all functions and activities of the Association and perform such other duties as may be specified by the Board.

ARTICLE VIII

1. COMMITTEES. The President, subject to approval of the Board of Directors, shall annually appoint such standing, special or subcommittees as may be required by the bylaws or as may be necessary for the operation of the Association.

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2. NOMINATING COMMITTEE. At least sixty- (60) - days prior to the annual meeting each year, the Board of Directors shall appoint a nominating committee of two (2) persons to nominate candidates for the Board of Directors. The committee shall notify the secretary/treasurer, in writing, at least thirty (30) days before the date of the annual meeting of the names of the candidates it proposed, and the secretary shall mail a copy thereof to the last recorded address of each member at least twenty (20) days before the annual meeting. Nominations for directors may also be made, endorsed with the names of not less than ten (10) members of the Association, if received by the secretary at least ten (10) days prior to the annual meeting.

ARTICLE IX

1. INDEMNIFICATION. The Association may, by resolution of the Board of Directors, provide for indemnification by the Association of any and all of its Directors or officers or former Directors or officers against expenses actually and necessarily incurred by them in connection with the defense of any action suit or proceeding in which they or any of them are made parties or a party by reason of having been Directors or officers of the Association, except in relation to matters as to which such Directors or officers or former Directors or officers shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such negligence or misconduct.

ARTICLE X

1. AMENDMENTS. Amendments to these bylaws may be made at an annual meeting of the Association by a two-thirds vote of those present and voting. Proposed amendments to these bylaws shall be presented to the Board of Directors at least ninety (90) days in advance of the annual meeting and upon a majority vote in favor of said amendment shall be submitted to the entire membership for its consideration at least sixty (60) days in advance of the annual meeting. Any proposed amendment which is not approved by the Board of Directors may be submitted to the general membership at the annual meeting provided it is accompanied by the signed endorsement of ten (10) members.

ARTICLE XI

- 1. DISSOLUTION.** No portion of the assets of this Corporation shall incur to the benefit of any director or member thereof, nor any private individual. Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for purposes of the Corporation in such manner or to such organization or organizations organized and operated exclusively for purposes as shall at the time qualify as an exempt Corporation under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future Internal Revenue law) as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the Circuit Court of Baltimore City sitting in equity exclusively for such purpose to such organization or organizations as said Court shall determine which are organized and operated exclusively for this purpose.

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KTAI - ETHICS GUIDELINES

PREAMBLE

This code of ethics sets forth ethical guidelines for the Kite Trade Association International. Members of the Association are responsible for maintaining and promoting ethical practices. Members of the Association should consider the guidelines binding and failure to operate according to these guidelines may require the Board of Directors of KTAI to take disciplinary actions against offending members pursuant to Article II, Section 3 and Article III, Section 6 of the KTAI bylaws. Any member who is subject to disciplinary action for an ethics violation may invoke its due process rights under Article III, Section 6.

Principle 1.

Obtain all required licenses.

Principle 2.

Make known upon request, the owner(s) or corporate officer(s) name(s), business address(es) and phone number(s).

Principle 3.

Pay all accounts due according to the terms agreed upon with suppliers. If unable to do so make earnest attempts to inform suppliers of difficulties & make alternate arrangements to meet financial obligations.

Principle 4.

Represent product and services fairly & honestly.

Principle 5.

Establish and make known a refund/replacement policy for defective goods.

Principle 6.

Suppliers will project the availability of products as accurately as possible.

Principle 7.

Respect the issuing and registration of all patents, trademarks or copyrights.

Principle 8.

Respond in 30 days to any notification by the KTAI Ethics Committee of a filed complaint.

Principle 9.

Remain a KTAI member in good standing by keeping current with dues requirements.

Principle 10.

All members in good standing shall attend only the aspects of the KTAI convention for which they have paid. Members will not engage in badge swapping.

BOARD OF DIRECTORS CODE OF ETHICS

Principle 1

The Board of Directors and Officers shall represent all KTAI members objectively.

Principle 2

The Board of Directors and Officers shall refrain from any vote if the outcome of the issue being discussed creates a conflict between their own personal interests and their responsibility to the membership at large.

Principle 3

The Board of Directors and Officers shall hold all executive sessions in complete confidentiality.

Principle 4

The Board of Directors and Officers shall recognize that KTAI has and will have information relating to business affairs, financial information, trade secrets and membership lists. This proprietary information constitutes valuable, special and unique assets of KTAI. The board of Directors and Officers agree that they will not at any time or any manner use or divulge any proprietary information for their own benefit. A violation of this paragraph shall be grounds for removal.