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# THE TEXAS COTTON ASSOCIATION

# BY-LAWS

# ARTICLE I

# NAME AND DOMICILE

**Section 1 Name**-The name of this Association is and shall be known as **THE TEXAS COTTON ASSOCIATION.**

**Section 2 Domicile**-1The domicile of the Association shall be in such location that is approved by the Board of Directors.

ARTICLE II

MEMBERSHIP

## Section 1 Who May Become Members

1. Any firm, corporation or individual of good character and standing, who is **engage d in the business of buying and selling cotton in the States of Texas and Oklahoma**, except as described herein2, is eligible to membership in the Association; provided he shall have first filed with the Secretary application for membership signed by him and endorsed by three (3) members of this Association; and provided further, that if such firm, corporation or individual shall have been engaged in the business of buying and selling cotton in the State of Texas for a less period than one year previous to the date of his application, said application must contain the endorsement of five (5) members of this Association.

Any person or firm who is an employee, agent or associate of another person or firm who is not a member of the Association, shall not be eligible for membership in the Association; and should any person or firm who is a member of the Association become an employee, agent or associate of an individual or firm who is not a member of the Association, such individual or firm shall immediately become ineligible to be a member and his or its membership in the Association shall automatically terminate, and such ineligibility shall remain as long as such relationship exists.

There shall be four classes of members:

* 1. **Merchant**2-Individual, partnership, joint venture, company corporation or cooperative purchasing cotton on their own behalf, taking title thereto, and offering such cotton to sale to other parties.
  2. **Primary Marketing Member**2/3- Individual, partnership, joint venture, company, corporation or cooperative when not acting on its own behalf, acts in facilitating the purchase or sale of cotton to other parties.
  3. **Associate** 2- Any individual, partnership, joint venture, company, corporation or cooperative of good character and standing who is not involved in the purchase or sale of cotton, but, having a relationship to such activity in transportation, insurance, banking, futures trading, communications and other businesses. Associate Members shall have no right to vote, nor shall they acquire any title to property of the Association.
  4. **Honorary Members** - Any individual of exemplary conduct and character who is not commercially engaged in or otherwise associated with the cotton business for profit and who has established for himself a distinguished record of service in behalf of the Association is eligible to honorary membership in this Association, it being understood that honorary members shall have no right to vote, nor shall they acquire any title to property of the Association.

1 Adopted at the 93rd Annual Convention on 04/30/2004

2 04/16/93 Amended TCA 82nd Convention creating membership categories of Merchant & Non-merchant Handler and changing Associate definition, necessary for compliance with ACSA Board of Directors' Resolutions 03/02/93 (contingent upon TCA Board of Directors' approval 06/02/93 of bale fees of ACSA 69th Convention 05/15/93) effective 08/01/93

3 04/15/94 Amended changing Non-merchant Membership category to Primary Marketing Member by 83rd Convention

**Section 2 Application for and Election to Membership**-Written application with endorsements as provided in Article 2, Section 1-A., pledging the applicant, if elected, to abide by and be subject to the Constitution, By-Laws, Rules and Regulations of the Association, in force, or to be thereafter adopted, may be filed with the Secretary, which application shall be referred immediately to the Committee on Membership. When an application shall have received the approval of not less than two-thirds (2/3) of the Committee on Membership, the Secretary shall notify each and every member of the Association by mail, that such application has received the approval of the Committee on Membership, and shall request the members to lay before him, verbally or in writing, within ten (10) days after the date of such notice, any objection to the proposed new member. After the expiration often (10) days from date of such notice, the Secretary shall forward such application, together with any information or objection, filed by the members, to the Board of Directors who may vote on same at any meeting of the Board, or in writing addressed to the Secretary, and such applicants as shall receive the approval of not less than two-thirds (2/3) of the Board of Directors shall be declared elected to membership.

**Section 3 Rejected Applicants**-Any applicant failing to receive the approval of two-thirds (2/3) of the Board of Directors, shall not again, within six months thereafter, be entitled to consideration for membership, without the unanimous consent of the Board.

**Section 4 Evidence of Membership**-Each member shall own at least one membership, of record on the books of the Association, and hold, as evidence thereof, a Certificate of Membership, bearing the corporate seal and signature of the President and Secretary of the Association; and every member, upon acceptance of such certificate, issued in his or their name, is thereby obligated to abide by and be subject to the Constitution and By-Laws, with variances as may be agreed upon in advance, between buyer and seller at the time of trade.

# ARTICLE III

CERTIFICATE OF MEMBERSHIP

## Section 1 The Certificate of Membership shall be as follows:

THE TEXAS COTTON ASSOCIATION

**CERTIFICATE OF MEMBERSHIP NO. XXXX**

**This is to certify that \_ \_is a Member of T he Texas Cotton Association**, and holds one membership therein, transferable only to a member or a member-elect of said Association on the books thereof, in accordance with its By-Laws and Rules.

The Association holds a lien upon said membership, enforceable summarily as provided by said By -Laws and Rules, to secure all assessments and dues, now and here after chargeable to said membership. No act by said member shall confer upon, or vest in, any person not a member, any interest in the property o f franchise of the Association, or any right in respect there to, but said membership may be transferred by the member herein named, or his legal representative, to any member, or member-elect of the Association, upon surrender of this certificate and payment of all dues and assessments with which said membership is chargeable.

**Dated at Dallas, Texas, this \_\_\_\_\_\_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 19\_\_ AD**

**Section 2 Surrender, Cancellation or Transfer of Membership**-Upon the surrender of a Certificate of Membership to the Secretary, all dues, fees, and assessments charged thereto, having been first paid, the owner thereof shall cease to be a member of the Association, and such membership may, upon request, be canceled or transferred on the books of the Association, but only to a member or member elect and no act by any member shall confer upon, or vest in, any person, not a member, any interest in the property or franchise of the Association, or any right in respect thereto.

# ARTICLE IV

DUES, FEES, ASSESSMENTS, LIENS ON MEMBERSHIPS

**Section 1 Dues, Fee s & Assessments**-O n every membership, the owner thereof, of record on the books of the Association, shall be required to pay annual dues in advance, and also all other fees and assessments, levied against the same, in accordance with the By-Laws, Rules and Regulations.

**Section 2 Lien on Membership**-All debts due the Association by any member thereof, for assessments, dues or otherwise, shall be a charge and lien upon all memberships standing in the name of such person on the books of the Association; and failure to pay any of such indebtedness shall subject such membership to forfeiture, but will not release any of such indebtedness.

# ARTICLE V MEETINGS & VOTING

## Section 1 Meetings of Members, Annual

1. There shall be an annual meeting of the members4 held each and every year. The Board of Directors is authorized to choose the site and dates of the annual conventions. The exact dates on which annual meetings shall be held will be determined by the Board of Directors and notice thereof must be mailed to each member at least ten (10) days in advance of the dates so fixed.
2. The Board of Directors shall each year set aside a sum at their discretion out of the funds of the Association, to be applied on the expense of an annual entertainment.

**Section 2 Order of Business Session**-At the annual meetings the following order of business shall be observed:

1. Roll Call of Members
2. Reading of Minutes of Preceding Meeting
3. Reports of Secretary and Treasurer
4. Reports of Standing Committees
5. Reports of Special Committees
6. Unfinished Business
7. Miscellaneous/New Business
8. Election of the President
9. Election of the Board of Directors
10. Receiving/Filing Invitations Holding Next Annual Meeting

**Section 3 Special Meetings**-Special meetings of members may be called by the President at his discretion, and it shall be his duty to call such meetings, upon written request by any ten members. Such meetings may be held at any time or place within the State; but no business shall be transacted at a special meeting other than that stated in the call, as the object thereof.

**Section 4 Quorum**-The presence, 5 in person or by written proxy of ten 6(8) members, five (5) of whom shall be Directors, shall constitute a quorum, for the transaction of business, at any meeting of members, whether Annual or Special.

4 Changed by deleting “on or about the second Tuesday in March” and deleted old Clause B and changed designation of old Clause C to Clause B as adopted by 2/3's vote of the members at the 85th Anniversary Convention, May 3, 1996

5 Adopted at the 94th Annual Convention to add the wording in person or by written proxy and t o add the words o f members when referring to any meeting

6 Adopted at the 105th Annual Convention, 4/15/16, to change the number from 15 to 10 members necessary to constitute a quorum when referring to any meeting of members, Annual or Special. Subsequently, adopted by members in session at the 107th Annual Convention, 4/27/18, to change the number from 10 to 8 members necessary to constitute a quorum when referring to any meeting of members, Annual or Special.

**Section 5 Who Entitled to Vote** -Any member owning one or more memberships, of record on the books of the Association, in which all dues, assessments and other charges, have been previously paid, shall be entitled to vote at any meeting of members, but no member shall be entitled to more than one vote. Associate or Honorary Members shall not be entitled to vote or to be elected to any office of this Association.7

# ARTICLE VI

SUSPENSION OR EXPULSION OF MEMBERS

**Section 1 Suspension or Expulsion of M embers**-Any member of this Association may be expelled or suspended from membership, as hereinafter provided, for any willful violation of the Constitution,

By-Laws, Rules or Regulations of the Association, or for any wrongful or fraudulent breach of contract, whether such contract be with a member or nonmember of the Association, or for any willful refusal to abide by any final arbitration or award made by this Association, or by any other Association or exchange, foreign or domestic, where made under the rules of such association or exchange pursuant to the provisions of any contract providing for such arbitration, or for any proceeding inconsistent with just and equitable principles of trade, or other misconduct.

A member of the Association shall be fully responsible for any violation by any act or omission of any subsidiary, affiliated, financed or controlled shipper or any primary marketing member, agency, or intermediary of any kind acting for or at the request of such member or financed by such member; and such member may be expelled or suspended from membership, as provided in the previous paragraph, for such act or omission for which he is held responsible.

**Section 2 Complaint**-Any person or persons, whether member or nonmember of this Association, may file with the Secretary of the Association, or with any other officer thereof, a written complaint, charging any member of this Association with any one or more of the above offenses. When such complaint has been made, it shall be the duty of the Board of Directors to hear and determine the same after mailing or delivering to the member so accused a copy of such written complaint so made against him, and notifying him of the time and place at which the Board of Directors shall consider such complaint. At such meeting, if the member so desires, he shall be heard in his own defense and confronted with the evidence offered against him.

**Section 3 Board of Directors Hearing**-If, after hearing, the charge or charges against such offending member be in the opinion of the Board sustained by competent evidence, they may by a vote of not less than two thirds (2/3) of all members present at such meeting suspend or expel such member from the Association.

**Section 4 Sentence**-The sentence of the Board of Directors shall be final unless the accused, within

ten (10) days after sentence, shall appeal to the Association, which appeal may be had and perfected by the said member giving notice to the President of the Association that it is his desire to have the Association review the decision and sentence of the Board of Directors. In the event that such notice be given within the time required, it shall be the duty of the President at the next ensuing meeting of the Association to present the matter to the Association for its action, notifying the accused of the time and place of the hearing before the Association.

7 03/1 7/78 Amended to add last sentence

At such hearing, the accused and accusers shall have the right to present evidence and the Association shall have the right to reverse the action of the Board of Directors and reinstate the said member provided three fourths (3/4) of the total votes cast be in favor of reversal of the action of the Directors, in which event the accused shall then be reinstated in all his rights of membership, but otherwise the original sentence shall stand and be final.

**Section 5 Announce Sentence**-Upon suspension or expulsion of a member, the Association in addition to notifying the accused member of the sentence, shall also announce the sentence to the members of the Association and the party or parties filing the complaint.

**Section 6 Suspension**-Upon suspension of a member under this Article of the By-Laws, his name shall be removed from the membership roster as well as from the membership mailing list, and the payment of all dues and fees shall be remitted during the period of suspension, but the suspended member shall continue to be subject to the Association's rules or discipline during the term of suspension.

**Section 7 ACSA Rules & By-Laws**-The By-Laws and Rules of the American Cotton Shippers Association are here, by reference, made a part of the By-Laws and Rules of the Association in the same manner as if incorporated herein, and shall be binding and enforceable against members of the Association in the same manner as prescribed in the By-Laws and Rules of the Association.

**Section 8 ACSA Suspension**-Upon suspension or expulsion of a member, the Association shall promptly certify such suspension or expulsion to the American Cotton Shippers Association; and upon request of any other Federated Member, of which such suspended or expelled member is also a member, shall furnish to it the evidence upon which such action was based.

**Section 9 Resignation during Complaint**-No member of the Association may resign from membership while a complaint is pending against him as provided for in Section 2 hereof, and in the event any member shall tender his resignation under such circumstances, it shall be the duty of the Directors to hold such resignation in abeyance until the final disposition of such complaint has been made.

**Section 10 Bankruptcy Suspension**-Upon application for reorganization under any of the several chapter proceedings of the Federal Bankruptcy Act, membership privileges shall be automatically suspended, and such suspension shall remain in effect until the Board of Directors determines, after analysis of all available information, whether membership privileges shall be revoked or restored.

The restoration of membership privileges is contingent upon establishing, through the presentation of sufficient proof, that all outstanding financial obligations have been fully satisfied or that the repayment schedule for all existing financial obligations is current.8

**Section 11 State of War Expulsions**-In the event of a state of war existing between the United States and any other country, enemy aliens (citizens of an enemy country) shall automatically cease to be members of this Association without any further action on the part of the Board of Directors.

8 03/13/82 Amended revision effective 07/28/82

ARTICLE VII

ELECTIONS & RESPONSIBILITIES

## Section 1 Elections

1. The **President** shall be elected annually 9 at the Annual Meeting of members, and shall immediately after adjournment thereof, enter upon his duties and continue in office for one year, or until his successor is elected and qualifies. The President, who shall serve in a voluntary and honorary capacity only, shall not be eligible to re-election to succeed himself, and he shall receive no remuneration for his services.

B. **Board of Directors** – At each Annual Meeting of the Members, the newly elected President and the retiring President shall automatically become Directors for the ensuing year, and then nine other members 10 plus two (2) At Large Membersshall be elected by ballot to constitute the Board. Directors of the Association shall be elected to fill their respective positions in a voluntary and honorary capacity only, and they shall receive no remuneration.

It shall be the policy of the Association to retire two or more Directors each year and at the same time elect an equal number of new Directors. However, nothing herein shall prevent the membership, at their discretion, from re-electing to the Board any retiring Director.

The newly elected Board, consisting of the President, ten (10) other Directors, 10 plus two (2) At Large Directors consisting of active members of Past Presidents ofthis Association shall enter upon its duties, immediately after adjournment of the annual meeting and continue in office for one year, or until their successors are elected and qualify, and any vacancy that may occur in the Board, at any time, may be filled by the remaining members thereof.

C. 11 **Nominating Committees** – 12 Not less than thirty days prior to the annual convention, the immediate past President shall convene and chair a committee for the purpose of nominating for office, the incoming 13 First and Second Vice Presidents and two (2) At Large voting Board members. The at large members shall consist of Past Presidents ofthis Association. The committee 14 shall meet in person or by conference call and shall make a recommendation for each respective office to the newly elected board. The committee shall be composed of the current President, First Vice President and the 15 most previous past five (5) Presidents, including the immediate Past President who is a member and is active in the cotton business. In the event one or more of the previous past five (5) Presidents is unavailable, the immediate Past President may or may not, at his discretion, appoint any previous past President to serve on the committee in place of any one or more of the previous five (5) Presidents that is unavailable. At the annual meeting of the members, 16 one (1) nominating Committee of three (3) members, shall be appointed by the President, and the Committee shall nominate at least one (1) member for President and at least nine (9) members for Directors, at least three (3) of which served as Directors the previous year andtwo (2) At Large Directors.

9 04/15/94 “ by ballot” be deleted by 83rd Convention

10 Adopted by the 105th Annual Convention 4/15/16 to add two (2) At Large voting directors to constitute the board

11 04/15/94 Added as Amendment by 83rd Convention

12 Added “ Not less than thirty days prior to t he annual convention” and “ chaired b y the Immediate Past P resident” adopted by the 85th Anniversary Convention, May 3, 1996

13 Added First and/or Second Vice Presidents adopted by the 87th Annual Convention, May 1, 1998

14 Added provision for the committee to meet in person or by conference call adopted at the 88th Annual Convention, April 30, 1999

15 Adopted at the 94th Annual Convention to take out the language stating that the Committee include all past presidents active in the cotton business and replacing it with the most previous past five presidents.

16 Adopted at the 94th Annu al Convent ion t o change the requirement of two nominating commit tees to one nominating committee

**Section 2 Duties and Powers of Board of Directors and Election of Officers**-The Board of Directors, on the date of their election, or at their first meeting thereafter,17 shall elect 18 First and Second Vice Presidents, and shall appoint all standing committees. The Board shall have general and entire management of the affairs of the Association; shall appoint the Executive Vice President/Secretary and Treasurer and may at their discretion employ such other agents and clerks and require such service and bonds, and allow such compensation therefore, as may be deemed proper; shall adopt such Rules and Regulations, provide and furnish such buildings or rooms, determine, fix and levy such dues, fees and assessments, and do and perform such other acts, not inconsistent with the Constitution and By-Laws, as in their judgment may be required to best accomplish the purpose of the Association.

**Section 3 Corporate Officers**-The Directors and Officers of the Association shall also be the Directors and Officers of the Corporation.

**Section 4 Rules and Regulations Binding**-Purchase and sale transactions, forward contracts and other cotton merchandising agreements may be made subject to Trade Rules of the Association.17

**Section 5 Unauthorized Debts Not to be Contracted**-No officer or member of the Association or Board of Directors shall contract any debts on behalf of the Association, or in any manner or to any extent, render the Corporation liable, for the payment of any sum, without sanction of the Board of Directors.

**Section 6 Members Debt Liability**- No member of the Association shall be liable for the debts of the Corporation beyond the value of his membership therein.

**Section 7 Bureau for Exchange of Confidential Information**-There is hereby created a bureau for the confidential exchange of information to members of this Association concerning persons, firms or corporations engaged in the business of buying or selling cotton, whether for their own account or the account of others.

**Section 8 Unsatisfactory Transactions**-All members of the Association shall hereafter report to the Secretary of the Association any unsatisfactory transaction had with any person, firm or corporation engaged in the business of buying or selling cotton for themselves or the account of others, and upon request of the Secretary of the Association, members shall furnish any and all information which they may have touching the credit, qualifications, character and general reputation of any such persons, firms or corporations.

**Section 9 Confidential Information**-All information so received by the Association under Section 8 shall be confidential and shall not be divulged or disseminated except to members as provided in Section 10 hereof and shall be by them treated as confidential.

**Section 10 Information Maintained**-It shall be the duty of the Secretary of the Association to assemble and keep in an accessible manner all such information obtained and to furnish to members of the Association any and all such information as the Association may have concerning the credit, qualifications and reputation of any person, firm or corporation engaged in the business of buying or selling cotton for its own account or for the account of others.

17 4/15/94 “ shall by ballot” deleted by the 83rd Convention

18 Added “shall” elect “First and Second Vice Presidents”, deleted and a Treasurer. Deleted - The Board “ may at its discretion elect one addit- ional Vice President and added shall appoint “ the Executive Vice President/Secretary & Treasurer” and deleted “a Secretary” and “a manager and”. These changes were adopted by the 87th Annual Convention, May 1, 1998.

# ARTICLE VIII

MEETINGS AND QUORUM OF BOARD OF DIRECTORS

**Section 1 Meetings**-The Board of Directors may meet at their discretion after their selection as such, and may hold as many meetings during the year as they may determine to be proper to serve the best interests of the Association and its members.

**Section 2 Quorum**-Any number not less than five (5) Directors shall constitute a quorum, and shall be competent to transact any business of the Association at any meeting of the Board.

# ARTICLE IX OFFICERS DUTIES

**Section 1 President**-Subject to approval of the Board of Directors, the President shall have immediate supervision and direction over the affairs and employees of the Association; shall call all meetings, both of the membership and the Board of Directors, and when present shall preside at same; shall appoint all committees not otherwise provided for, and shall be Chairman Ex-Officio of all committees, and shall do and perform, at his discretion all other duties incident to the office.

**Section 2 Vice President**-In case of the absence of the President, or of his inability, from any cause to act, the Vice President, shall, when present, perform the duties of the President; and in case of the absence of the President and Vice President, then the Board of Directors shall appoint one of their number to perform such duties, for the time being.

**Section 3 Treasurer**-The Treasurer shall receive all funds belonging or payable to the Association and deposit same in bank, in the name of the Texas Cotton Association. He shall pay by check all bills and accounts against the Association. He shall render a report at each meeting of the Board and a general annual report at the close of each fiscal year; shall be responsible for the proper accounting for all receipts and disbursements, and at the expiration of his term of office, he shall deliver to his successor all funds, books, papers, and other property of the Association, in his possession.

## Section 4 Secretary/Executive Vice President

1. The **duties of the Secretary**, who may not necessarily be a member of the Association, shall be in all respects subject to the requirements of the Board of Directors or of the President, and his term of office and compensation shall be determined by the Board.
2. In addition to his regular duties, the **Executive Vice President and/or Secretary** shall visit all the important Texas points during the year, for the purpose of attending meetings and conferences of various related Trade groups, and collecting and disseminating such information as will be of interest to the members of the Association; and shall make such other visits to the important points and smaller towns as may be required.

**Section 5 Duty Combinations**-It shall be within the discretion of the Board of Directors to combine duties of any two (2) officers of the Association, provided however, that the office of President and Secretary or President and Treasurer may not be held by the same person.19

19 03/1 7/78 Amend to add last half of sentence

ARTICLE X

COMMITTEES

**Section 1 Standing Committees** -At the annual meeting of the Board of Directors, or as soon thereafter as may be practicable the President, subject to the approval of the Board, shall appoint the following standing committees:

A. **Budget** 20 **& Finance Committee** -A Finance Committee, composed of at least three (3) members, one of whom, the Chairman, shall be a Director, whose duty it shall be to have general supervision of the finances of the Association, and to audit the books and accounts of the same prior to the annual meeting each year, and at such other times as may be deemed advisable, or requested by the Board of Directors.

B.20 **Committee on Membership**-composed of nine (9) members, none of whom shall be Directors, whose duty it shall be to cast mail ballots on any application for membership submitted to them by the Secretary.

C.20 **Committee on Rules & By-Laws**-composed of at least three (3) members whose duty it shall be to make recommendations to the directors and/or members of any proposed changes in the Association's Rules and By-Laws.

D.20 **Other Committees**-as may be deemed advisable, such as Compresses and Warehouses, Cotton Futures Contracts and Spot Quotations, Cotton Improvement and Legislation, Foreign and Domestic Mill Affairs, Transportation and Ocean Freight, Rules and By-Laws, Standards and Classification, Weights and others may be appointed from time to time.

**Section 2 Committee Reimbursement Expenses**-Reimbursement of expenses incurred by committee may be provided for by the Board of Directors, but Committeemen shall receive no remuneration for their services.

# ARTICLE XI

ALTERATION OR SUSPENSION OF

BY-LAWS

**Section 1 Alteration or Suspension of By-Laws**-The By-Laws may be altered, amended, or suspended only by a two thirds (2/3) vote of the members present and voting at any annual meeting or 21 by a two thirds (2/3) mail vote of all members of the Association.

20 Added “Budget” and “ at least ” to Clause A ; Deleted old Clauses B ,C ,D, E and F ; Changed designation of Clause G to Clause B; Added new Clause C; changed designation of old Clause H to Clause D; as adopted by the 85th Anniversary Convention, May 3, 1996

21 04/16/93 Amended at request of ACSA General Counsel at T CA 82nd Convention changing "and" to "or", necessary to change categories of membership for compliance with AC SA Board of Directors Resolutions 03/0 2/93 (contingent upon TCA Board of Directors' approval 06/02/93 of bale fees of ACSA 69th Convention 05/15/93) effective 08/01/93