



ARTICLE I NAME AND DOMICILE

Name

Section 1. The name of this Association is and shall be known as the Texas Cotton Association.

Domicile

Section 2. The domicile of the Association shall be in the City of Memphis, Tennessee.

ARTICLE II MEMBERSHIP

Membership

Section 1. There shall be four (4) classes of memberships in the Association for those described herein doing business in the States of Texas and Oklahoma, Kansas: to wit, Merchant, Primary Buyers/Mill Service Agent, and Associate Member, and they shall be classified as follows:

- a. Merchant: Individual, partnership, joint venture, company, corporation, or cooperative purchasing cotton on their own behalf, taking title thereto, and offering such cotton for sale to other parties.
- b. Primary Buyer/Mill Service Agent: 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.
- c. Associate: Individual, partnership, joint venture, company, corporation or cooperative not involved in the purchase or sale of cotton, but having a relationship to such activity in transportation, insurance, banking, futures trading, communications, or other businesses. Associate Members shall have no right to vote at any meeting or to be elected to any office of the Association, nor shall they acquire title to any property of the Association.
- d. Honorary: 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 a distinguished record of service on 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.

Application for Membership

Section 2. Written application pledging the applicants, 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, must be filed with the Secretary-Treasurer by all applicants to membership. The Secretary-Treasurer shall forward such application to the Board of Directors, who may vote at any meeting of the Board or in writing addressed to the Secretary-Treasurer, and such applicants shall receive the approval of not less than two-thirds (2/3) of the Board of Directors shall be declared elected to membership, and shall thereafter remain a Member as long as they remain in good standing and meet the eligibility requirements.

Rejected Applicants

Section 3. Any applicant failing to receive the approval of two-thirds (2/3) of the Board of Directors within six (6) months of their application having been forward to the Board shall not again, within six (6) months thereafter, be entitled to consideration for membership, without the unanimous consent of the Board.

Evidence of Membership

Section 4. Each Member shall be entered on the books of record as a Member and is hereby obligated to abide by and be subject to the Governing Documents, By-Laws, and Rules and Regulations, whether such pledge has been given otherwise or not.

Suspension and Termination of Membership

Section 5. Any Member may be suspended or terminated from membership for a failure to pay any dues, fees, and/or assessments owed by them for more than sixty (60) days after the deadline for such payment; for a willful violation of the Governing Documents, By-Laws, Rules or Regulations of the Association, or for an action or omission inconsistent with just and equitable principals of trade, or other misconduct, as determined by the Board of Directors.

ARTICLE III DUES, FEES, ASSESSMENTS, AND LIENS ON MEMBERSHIP

Dues, Fees, and Assessments

Section 1. Every Member shall be required to pay annual dues in advance of, and in such amounts as determined by the Board of Directors for, the year for which such annual dues apply. Every Member shall also pay any fees and other assessments determined, fixed, or levied by the Board, payment for which shall be due by a reasonable deadline as determined by the Board; provided written notice of the amount(s) of such fees and assessments and the reasonable deadline for payment thereof is provided in advance to the membership by the President or by the President's designee.

Non-Payment of Dues and Delinquency

Section 2. A Member that has failed to pay any dues, fees or assessments owed by them for more than thirty (30) days shall receive a written notice of such delinquency. A copy of such written notice may be provided to the Board of Directors.

Lien on Membership

Section 3. All debts due to the Association by any Member thereof for assessments, dues, or otherwise, shall be a charge and lien upon memberships standing in the name of such person on the books of the Association; and failure to pay any of such indebtedness shall terminate the

membership but will not release any of such indebtedness.

ARTICLE IV MEMBERSHIP MEETINGS

Annual Meeting

Section 1. a. There shall be an annual meeting of the Members held at a time that does not conflict with a meeting of the federated members of the American Cotton Shippers Association (“ACSA”) at a location and time to be determined by the President with the approval of the Board of Directors.

b. At the annual meeting of the Members, any Executive Business Session shall be attended by voting Members only.

Special Meetings

Section 2. Special meetings of Members shall be called by the President at the President’s discretion, and it shall be the President’s duty to call such meetings, upon written request by any ten (10) Members. Such meetings may be held at any time or place, but no business shall be transacted at a special meeting other than that stated in the call, as the object thereof.

Quorum

Section 3. The presence of a minimum of one-quarter (1/4) of the Merchant and/or Primary Buyer/Mill Service Agent Members described in Section 4 of this Article shall constitute a quorum for the transaction of business, whether Annual or Special.

Who Is Entitled To Vote

Section 4. Any Merchant or Primary Buyer/Mill Service Agent Member owning one (1) 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 Merchant or Primary Buyer/Mill Service Agent Member shall be entitled to more than one (1) vote.

ARTICLE V ELECTIONS AND RESPONSIBILITIES

Elections

Section 1. a. The President shall be elected by ballot at the annual meeting of Members of the year in which the two (2) year term of the President-elect’s predecessor is expiring and shall immediately after adjournment thereof enter upon their duties and continue in office for two (2) years, or until their successor is elected and qualifies. The President shall not be eligible to re-election to succeed him or herself and shall receive no remuneration for their services.

b. The Board of Directors shall consist of the Immediate Past President, President, and up to nine (9) Directors duly elected from the membership. The newly elected Board, consisting of the President, the Immediate Past President, and up to nine (9) other Directors, shall enter upon its duties immediately after adjournment of the annual meeting and continue in office for two (2) years, 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. All Past Presidents, who are still active Merchant or Primary Buyer/Mill Service Agent Members of the Association shall serve as the Nominating Committee for the offices of President, Vice President, and the number of Directors of the Association as prescribed in the By-Laws. The retiring President shall serve as an ex-officio, a non-voting member of the Nominating Committee.

Duties and Powers of the Board of Directors

Section 2. The Board of Directors, on the date of their election, or at their first meeting thereafter, shall by ballot elect from their number a Vice President of the Association who shall serve a term of two (2) years; may appoint any Standing Committees they deem necessary, the Members of which shall also serve a term of two (2) years; shall be responsible for general oversight of the affairs of the Association; shall appoint a Secretary-Treasurer, who may be a person who is not a Member of the Association; and may, at their discretion, employ a manager and retain the services of ACSA or another entity to manage the affairs of the Association and to perform such other duties as may be delegated to them by the Board of Directors, including the retainer of such other agents and clerks and require such service and bonds, that are not inconsistent with the Governing Documents and these By-Laws, 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 in such amounts and according to such formulae, and do and perform such other acts, not inconsistent with the Governing Documents and By-Laws, as, in their judgement may be required to best accomplish the purpose of the Association. Any vacancy that may occur to the membership of the Board at any time may be filled by an action of the remaining Members thereof.

Corporate Officers

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

Rules and Regulations Binding

Section 4. All Rules and Regulations adopted by the Board of Directors shall be in force and binding upon the Members of the Association and shall govern all cases, to which they may be applicable after notice of them has been given.

Unauthorized Debts

Section 5. No officer or Member of the Association or Board of Directors, or their designee, shall contract any debt on behalf of the Association or in any manner or to any extent, render the Corporation liable, for the payment of any sum, without authorization by the Board of Directors.

Members' Debt Liability

Section 6. No Member of the Association shall be liable for the debts of the Corporation beyond the value of their membership therein.

ARTICLE VI MEETINGS AND QUORUM OF THE BOARD OF DIRECTORS

Meetings

Section 1. The Board of Directors shall hold not less than two (2) meetings during the year, at such times and places as they or the President may determine.

Quorum

Section 2. Any number not less than a simple majority shall constitute a quorum and shall be competent to transact any business of the Association at any meeting of the Board.

ARTICLE VII OFFICERS' DUTIES

President

Section 1. The President shall have immediate supervision and direction, subject to the direction and approval of the Board, of the affairs and employees of the Association and of such manager or entity described in Article V, Section 2, that has been retained to manage the affairs the Association; shall call all meetings of Members and of the Board, and when present, shall preside at same; may appoint all committees not otherwise provided, shall be Chairman ex-officio of all committees; and shall do and perform all other duties incident to the office.

Vice President

Section 2. In case of the absence of the President or of their 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 (1) of the Directors to perform such duties for the time being.

Secretary-Treasurer

Section 3. The Secretary-Treasurer, or such person or entity described in Article V, Section 2, that has been retained to manage the affairs of the Association, shall receive on behalf of the Association all funds belonging or payable to the Association and deposit same in bank, in the name of the Texas Cotton Association. The Secretary-Treasurer or such person or entity that has been so retained shall pay all bills and accounts against the Association; keep an account of all receipts and disbursements in a book kept for that purpose which, together with all vouchers and other records, shall be kept at all times subject to the examination of the Board of Directors; prepare a general annual report at the close of each fiscal year; and be responsible for the proper accounting for all receipts and disbursements, such that they may deliver to their successor all funds, books, papers, and other property of the Association, in their possession at such time as is necessary to ensure the proper and continued maintenance of such information and property.

Duty Combination

Section 4. 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 Secretary-Treasurer may not be combined with any other office.

Executive Committee

Section 5. The Executive Committee shall be composed of the President, the Immediate Past President, and the Vice President of the Association; shall assist the President and staff in the daily operations of the Association by providing consultation on such matters and in such instances where full contact with the Board of Directors may be impractical; and shall have no authority to change any policy position established by the Board of Directors.

ARTICLE VIII AMENDMENT OR SUSPENSION OF BY-LAWS

Amendment or Suspension of By-Laws

Section 1. These By-Laws may be amended or suspended by a two-thirds (2/3) vote of the Merchant and Primary Buyer/Mill Service Agent Members at any meeting of the Association, or by the written assent of two-thirds (2/3) of the Merchant and Primary Buyer/Mill Service Agent Members filed with the Secretary-Treasurer, or by a two-thirds (2/3) vote of the Board of Directors. A vote of the Board of Directors to amend or suspend the By-Laws may be taken at any meeting of the Board.

ARTICLE IX DIRECTOR AND VOTING DELEGATES FOR ACSA

Director for ACSA

Section 1. The one (1) Member of this Association who shall serve as Director of ACSA shall consist of the President. The Vice President shall serve as an alternate to the President.

Voting Delegates at Convention of ACSA

Section 2. The Board of Directors shall select five (5) Members who shall attend the Convention of ACSA for the purpose of casting the five (5) ballots allotted to this Association whenever any measure is put to vote by the affiliated associations. In the absence of action by the Board of Directors in naming these delegates, the ranking officer of this Association present at the Convention of ACSA shall have the authority of appointing any five (5) Members of the Texas Cotton Association to act as voting delegates.

ARTICLE X DISSOLUTION

Dissolution

Section 1. Upon the time of dissolution of the Corporation, assets shall be distributed by the Board of Directors, after paying or making provisions for the payment of all debts, obligations, liabilities, costs and expenses of the Corporation, for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for

such purposes.

ARTICLE XI ELECTRONIC MEETINGS

Electronic Meetings

Section 1. Any meeting or vote held pursuant to or under the auspices of the By-Laws, Rules, and/or Regulations of the Texas Cotton Association may be held by electronic means, including but not limited to video conference, telephonic conference, email, or other electronic means. Participation by electronic means shall constitute being present at the meeting. Any notice required in By-Laws, Rules, and/or Regulations of the Texas Cotton Association may be given electronically, including but not limited to email notice, text notice, telephone notice, and/or other electronic means. This By-Law shall be effective when adopted, shall be effective to validate the meeting or vote held to adopt this By-Law, and shall be retroactively effective to validate any electronic meeting held in the past.