

**BYLAWS**  
**of the**  
**NATIONAL RETAIL HOBBY STORES ASSOCIATION**

**ARTICLE I ORGANIZATION**

*Last Amendment Made October 2024*

**Section 1.1 Organization**

The National Retail Hobby Stores Association (hereinafter referred to as the "Association") is organized under the Illinois General Not-For-Profit Corporation Act. The Association's registered office and registered agent shall be located in North America, as designated by the Board of Directors.

**ARTICLE II DEFINITIONS**

**Section 2.1 Retail Hobby Store**

The term "Retail Hobby Store" means a person or entity who or which operates a business engaged in the retail sale of hobby products, pursues retail sales from an operating storefront, has a current sales tax number in the state and/or municipality in which the business is conducted (if and as required by law), is open to the public a minimum of 32 hours a week and has provided to the organization, a public website with un-altered photographs of both store interior (inclusive of product) and frontage (inclusive of signage).

**ARTICLE III PURPOSES AND POWERS**

**Section 3.1 Purposes**

The purposes of the Association are to serve as a link between manufacturers, distributors, media and retailers in the promotion and development of the hobby products industry and to foster recognition of the hobby products industry through advertising, promotion, media and education.

"Collaborating with hobby retailers to foster leadership in the hobby community"

**Section 3.2 Powers**

The Association shall have all powers as are now or may hereafter be granted to it under the Illinois General Not-For-Profit Corporation Act.

**ARTICLE IV MEMBERSHIP**

**Section 4.1 Eligibility**

Retail hobby stores, non-profit organizations and those with the interest in furthering the mission and cause of the association, are eligible for membership in the Association.

**Section 4.2 Classifications of Membership**

Classifications of Membership The three classifications of Association membership are: Retail Hobby Store, Honorary, and Lifetime.

**Section 4.3 Voting Members**

Only Retail Hobby Store members shall be entitled to vote.

#### **Section 4.4 Honorary Members**

Honorary membership may be conferred upon any person by the Board of Directors; said membership may also be rescinded by the Board of Directors. An Honorary Member shall be entitled to a voice, but not a vote, on all Association matters.

#### **Section 4.6 Lifetime Membership**

Lifetime membership may be conferred by resolution of the Board of Directors upon any individual who has been affiliated with a member of the Association in good standing for at least ten consecutive years and who, in his or her individual capacity, has rendered outstanding service to the Association. A Lifetime Member shall be entitled to a voice, but not a vote, on all Association matters, provided that a Lifetime Member previously affiliated with a Retail Hobby Store member shall be entitled to a vote on Association matters.

#### **Section 4.7 Membership Applications**

- A. Applications for Membership (accompanied by one year's dues) shall be made to the Association. The Board of Directors shall determine the applicant's appropriate membership classification. The application shall be granted unless the applicant does not meet the Association's membership eligibility requirements.
- B. Should the Board of Directors determine to reject any membership application, the reasons for such rejection shall be reported to the applicant in writing and the dues paid by the applicant shall be returned promptly.

#### **Section 4.8 Termination of Membership**

Membership in the Association may terminate by death, liquidation, dissolution, voluntary withdrawal or otherwise pursuant to these Bylaws. The right of a member to vote, and all other privileges of a member in the Association, shall cease upon the termination of membership.

#### **Section 4.9 Suspension and Termination**

- A. Any Member may be suspended or terminated for cause. Sufficient cause shall be the violation of a provision of these Bylaws or any policy or rule adopted by the Association, or any other conduct prejudicial to the interests of the Association as determined by the Board of Directors.
- B. Suspension from or termination of membership shall be by a two-thirds vote of the Board of Directors at a duly constituted meeting, provided that a statement of the cause for suspension or termination shall be sent by registered mail to the last recorded address of the member at least fifteen business days before the date of the Board of Directors meeting at which the matter is to be considered. Such statement shall be accompanied by a notice of the time and place of the meeting of the Board of Directors at which the matter is to be considered and notice of the member's right to appear, in person or by representative, to present any relevant evidence.

#### **Section 4.10 Designated Representatives**

Each member shall designate in writing a person who shall be authorized to act on the member's behalf with respect to the Association's affairs. A member that is a business entity shall designate either an owner or member of its Board of Directors as its designated representative.

## **ARTICLE V DUES**

### **Section 5.1 Amount of Dues**

Annual dues for each membership classification shall be fixed from time to time by the Board of Directors.

### **Section 5.2 Payment of Dues**

Members shall be billed for annual dues on their anniversary year. A member will be considered delinquent if dues or any duly approved assessment remains unpaid 60 days after the invoice date.

### **Section 5.3 Automatic Termination**

The membership of any member delinquent in payment of dues or assessments for 60 days will automatically be terminated. Any member whose membership has been terminated for non-payment of dues or assessments may not again join the Association until all dues and assessments

## **ARTICLE VI FUNDS**

### **Section 6.1 Association Funds**

All funds of the Association must be used for the purposes of the Association and shall not inure to the benefit of any member.

## **ARTICLE VII MEMBERSHIP MEETINGS**

### **Section 7.1 Annual Meetings**

The Annual Meeting of the members of the Association shall be held at such time and place as the Board of Directors may designate. Notice of the time and place of such meeting shall be communicated to each member not less than 30 days and not more than 60 days in advance of such meeting.

### **Section 7.2 Special Meetings**

Special meetings of the members of the Association may be called by the Chairperson or President, by the request of one-third of the members of the Board of Directors, or by a petition signed by over one-third of the voting members of the Association. The Secretary shall validate the signatories as members in good standing and then issue a call for the meeting. Notice of the time and place of such a meeting and the agenda shall be mailed to each member at least 30 days in advance of such meeting.

### **Section 7.3 Quorum**

Ten percent of the designated representatives of the Association's voting members shall constitute a quorum for the transaction of business at any meeting of the members of the Association, provided that a lesser number may meet and adjourn from time to time or adjourn sine die. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the originally scheduled meeting.

### **Section 7.4 Voting**

Upon authorization of the Board of Directors, the Chairperson may direct that a matter be submitted to a mail vote of the designated representatives of the voting members, in which case action on the matter may be taken if the action is approved by the members having not less than the minimum number of votes that would be necessary to authorize the action at a meeting at which all members entitled to vote thereon were present. Unless authorized by the Board of Directors in a specific instance, members shall not

be entitled to participate in a membership meeting of the Association through the use of a conference telephone or other interactive technology.

## **ARTICLE VIII ELECTIONS**

### **Section 8.1 Nominations for Board of Directors**

Nominations for Board of Directors At least six months prior to the annual meeting, the Chairperson shall (may) appoint a Nominating Committee which may consist of five voting members. The Nominating Committee shall nominate candidates for the office of director. The Nominating Committee will screen board applicants for the following qualifications.

- A. Must have been a designated representative of an Association member in good standing for at least two years.
- B. Must have management skills and understand the duties and responsibilities of a director of the Association.

### **Section 8.1.1 Voting**

Voting for Board of Directors shall commence online and by mail immediately following the nomination of directors and shall be completed one day prior to the Annual Meeting.

### **Section 8.2 Twelve-Member Board**

- A. The Board of Directors shall consist of at least seven and no more than twelve directors, as the Board deems necessary. Directors will be elected by annual e-mail ballot from among the Association's membership and by in person voting at the Annual Table-Top Expo. There can be one HMA representative appointed by the Board of Directors of the Hobby Manufacturers Association (HMA) that is present for monthly virtual meetings. The number of directors to be elected each year shall be equal to the number of directors whose terms will expire effective as of the Board meeting prior to the next annual meeting of members. Directors shall be elected for a term of three years. No director shall serve more than two consecutive three-year terms.
- B. For purposes of the consecutive term limit, a person elected to fill a vacancy on the Board of Directors shall not be treated as having served a term as director due to having filled such vacancy.
- C. No more than one person from related member companies may serve on the Board of Directors at any one time. Member companies shall be deemed "related" if they are parent and subsidiary, affiliates (i.e., they share common ownership), franchisor and franchisee, or franchisees of the same franchisor. The Board of Directors shall, in its sole discretion, determine whether companies are related. In the case of a merger, acquisition, employment change or other similar event occurring after a Board election, which event results in Board membership in violation hereof, all except one of the directors representing the related companies must resign from the Board of Directors immediately.

### **Section 8.3 Assumption of Duties; Compensation**

Directors' terms of office shall begin at the 1st Board of Directors meeting held in January. Directors shall continue in office until their successors shall have been duly elected, qualified, and complete training their replacements in November and December. Successors to the directors shall be deemed to have been duly elected and

qualified when election results have been certified by the Executive Director, and at least 2 other Executive Directors currently on the board. Directors shall serve without compensation, except that the Board of Directors may by resolution authorize reimbursement of expenses incurred in the performance of their duties as directors. Such authorization may prescribe procedures for approval and payment of such expenses by designated officers of the Association. Nothing in these Bylaws shall preclude a director from serving the Association in any other capacity and receiving compensation for such service.

## **ARTICLE IX BOARD OF DIRECTORS**

### **Section 9.1 Management Vested in the Board**

The management of the affairs and business of the Association shall be vested in the Board of Directors.

### **Section 9.2 Authority**

The Board of Directors shall have authority to engage and discharge employees and agents of the Association, fix salaries, suspend or terminate members, create committees, conduct trade promotion activities including advertising, publicity and public relations, hold and promote trade shows, meetings and conventions at such time and place as it deems desirable, and do all other things necessary to the conduct of the business of the Association in accordance with these Bylaws.

### **Section 9.3 Meetings**

A regular meeting of the Board of Directors shall be held prior to the Annual Meeting of the members of the Association. The Chairperson may, when he or her deems necessary, or the Secretary shall, upon the written request of four members of the Board, issue a call for a "special meeting" of the Board of Directors. Unless greater notice is required by law, three days' notice shall be required for such special meetings. Absent the required notice, the Board of Directors may hold meetings, provided that a waiver of notice signed by all directors is executed before or after such meeting and provided further that attendance at such a meeting without protest of lack of notice shall constitute waiver of notice.

Whenever, in the judgment of the Chairperson, a non-binding mail poll of the Board of Directors is desirable, he or her may direct that such a poll be taken. Meetings of the Board of Directors may be held by telephone conference call, online or through the use of any other communications equipment by means of which all persons participating in the meeting can communicate with each other.

### **Section 9.4 Quorum**

Two thirds' members of the Board of Directors shall constitute a quorum.

### **Section 9.5 Resignation or Removal**

Any director may resign at any time by giving written notice to the Chairperson, 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 of the resignation as determined by the Chairperson or the Board of Directors. Any director may be removed for cause by a two-thirds vote of the voting members at a duly called meeting of the members of the Association.

### **Section 9.6 Absence**

Any member of the Board of Directors unable to attend a meeting shall, in a letter or e-mail addressed to the Chairperson or Secretary, state the reasons for his absence. If a director is absent from two consecutive meetings for reasons that the Board has failed to

declare to be sufficient, his resignation shall be deemed to have been tendered and accepted.

**Section 9.7 Vacancies**

Any vacancies occurring on the Board of Directors may be filled for the un-expired term by a person elected by a vote of the remaining members of the Board of Directors.

**Section 9.8 Officers Elected From the Board**

At its first meeting following the election of new directors, the Board of Directors shall elect from among its members a Chairperson, President, Vice-President, Treasurer and Secretary, each of whom shall serve for the ensuing year. Each vote shall be continued, if necessary, until a nominee receives a majority of the votes of the Board. Requirements of Officers; must be a store owner, partial owner or a fulltime employee working a minimum of 30 hours in the store and must serve at least one year if it is the first time on the Board of Directors to be nominated and voted into any of the five executive committee roles.

**Section 9.9 Executive Committee**

The Chairperson, President, Vice-President, Treasurer and Secretary shall constitute the Executive Committee. The Executive Committee shall exercise the powers of the Board of Directors when the Board of Directors is not in session, reporting to the Board of Directors in writing quarterly, or at its next regular meeting, any action taken. Three members of the Executive Committee shall constitute a quorum for the transaction of business. Meetings of the Executive Committee may be called by the Chairperson or by three members of the Executive Committee. The Secretary shall issue the call, which shall include the time, place and meeting agenda.

The Executive Committee, with the approval of the Board of Directors, may retain legal and financial consultants to advise and consult with the Board of Directors.

**Section 9.10 Past Chairperson**

The Chairperson, upon relinquishing office, shall become an ex officio member of the Board of Directors for a period of one year, unless their term as an elected director has not expired, in which case that term shall be served until its conclusion.

**ARTICLE X OFFICERS**

**Section 10.1 Chairperson**

The Chairperson, upon relinquishing office, shall become an ex officio member of the Board of Directors for a period of one year, unless their term as an elected director has not expired, in which case that term shall be served until its conclusion.

**Section 10.2 President**

The President shall be responsible for implementing the policies established by the Board of Directors. The President shall preside at all meetings of the Association, the Board of Directors and the Executive Committee, and shall be the principal officer of the Association. The President shall appoint all standing and special committees. The President shall be responsible for overseeing the administration of the day-to-day operation of the Association. The President shall oversee any management company or Executive Director in the administration of the Association and report all discrepancies to the Board of Directors.

**Section 10.3 Vice-President**

The Vice-President shall share the accepted duties of the President, as delegated by the President or the Board of Directors. In the event that the President ceases to serve, the

Vice President shall perform the duties of the President. The Vice-President shall be an ex officio member of all committees except the Nominating Committee.

#### **Section 10.4 Treasurer**

The Treasurer shall perform the following duties:

- A. The Treasurer shall perform the accepted duties of a Treasurer and shall have charge of the funds of the Association, and shall cause them to be deposited in such depository or depositories as the Board of Directors may from time to time designate.
- B. The Treasurer shall supervise the keeping of accurate, detailed records of accounts in books belonging to the Association, which accounts and records shall be open at all times to inspection by the Chairperson and the Secretary.
- C. The Treasurer shall cause a fiscal year budget of estimated income and expenditures to be prepared and submitted to the Board of Directors for approval not less than thirty days before the last day of each fiscal year. The Treasurer shall report in writing the financial condition of the Association whenever requested to do so by the Chairperson or the Board of Directors, and shall submit a full financial report to the Association at its Annual Meeting.
- D. Whenever directed to do so by the Chairperson or Board of Directors, the Treasurer shall submit for financial compilation, review, or audit, all books, records, vouchers, and other pertinent information in the Treasurer's possession, to an independent CPA or financial review committee designated by the Board of Directors.

#### **Section 10.5 Secretary**

The Secretary shall attend all meetings of the Association, the Board of Directors and the Executive Committee, shall keep or cause to be kept a record of all proceedings, shall attest to documents and perform such other duties as are usual for such office and as may be assigned by the Chairperson or Board of Directors.

#### **Section 10.6 Resignation or Removal**

Any officer may resign at any time by giving written notice 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 of the resignation by the Board of Directors.

Any officer may be removed for cause by a majority vote of the Board of Directors at any regular or special meeting at which a quorum is present.

#### **Section 10.7 Vacancies**

Any vacancy in any office may be filled for its un-expired term by a person elected by a majority vote of the Board of Directors.

#### **Section 10.8 Delegation of Powers**

The elected officers may from time-to-time delegate the exercise of their powers to such employees or agents of the Association as the Board of Directors may provide for that purpose, but in any such case, the elected officer shall remain responsible for assuring that assigned duties are properly discharged.

### **ARTICLE XI EXECUTIVE DIRECTOR**

#### **Section 11.1 Executive Director / Management Company**

An Executive Director or Management Company may be retained by the Board of Directors as either an employee or agent of the Association to perform such duties as are,

ordinarily performed by such executive and such other duties as shall be assigned to the Executive Director or Management Company by the Chairperson and the Board of Directors. The Executive Director or Management Company shall be responsible for the day-to-day management of the Association in accordance with policy defined by these bylaws and by the Board of Directors.

## **ARTICLE XII    CONTRACTS; INDEMNIFICATION; INSURANCE**

### **Section 12.1    No Personal Liability**

No contract entered into by or on behalf of the Association shall personally obligate any member, officer or director of the Association authorizing such contract or executing the same.

### **Section 12.2    Indemnification**

The Association shall indemnify and hold harmless each person who was, is now or shall hereafter be a director, officer or employee of the Association from and against any and all claims and liability, whether the same are settled or proceed to judgment, to which such person shall have become subject by reason of having been a director, officer or employee of the Association, or by reason of any action alleged to have been taken or omitted in his or her capacity as such director, officer, or employee, and shall reimburse each such person for all legal and other expenses (including the cost of settlement) reasonably incurred by him or her in connection with any such claim, liability, suit, action or proceeding, provided that such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The determination of all questions concerning the right to indemnification and reimbursement hereunder and the reasonableness of such costs and expenses may be made, and shall be final and conclusive if made, by the Board of Directors of the Association acting at a meeting at which there is a quorum unaffected by self-interest (notwithstanding that other members of the quorum present but not voting may be so affected). The rights accruing to any person hereunder shall not exclude any other right to which he or she may be lawfully entitled, nor shall anything herein contained restrict the right of the Association to indemnify or reimburse such person in any case even though not specifically provided for herein.

### **Section 12.3    Insurance**

The Association may, at the discretion of the Board of Directors, obtain insurance for the Association, its Executive Director, directors, officers, and employees in such forms and in such amounts as the Board of Directors deems necessary.

## **ARTICLE XIII    DISTRIBUTION OF ASSETS**

### **Section 13.1    Dissolution**

The Association may be dissolved upon a vote of two-thirds of the voting members. Notice of said meeting, stating the purpose, time and place thereof, shall be mailed to each member of the Association at the member's latest known address at least thirty days prior to the date on which the meeting is to be held.

### **Section 13.2    Distribution of Assets**

Upon final dissolution of the Association and surrender of the organization and name, and after all debts of the Association are fully paid, a distribution shall be made of the remaining funds or property of the Association among such organizations exempt from federal income taxation under Internal Revenue Code Section 501c (6) as may be designated by the Board of Directors.

## **ARTICLE XIV SEAL**

### **Section 14.1 Seal**

The Association shall have a seal of such design as the Board of Directors may adopt and which may be used by members of the Association in such a manner as may be approved by the Board of Directors.

- A. The seal shall be kept along with the corporate papers in the offices designated as corporate headquarters.
- B. The Board of Directors may change the Association's seal and/or corporate logo by a two-thirds vote.

## **ARTICLE XV FISCAL YEAR**

### **Section 15.1 Fiscal Year**

The fiscal year of the Association shall end on December 31 of each calendar year, unless otherwise determined by the Board of Directors.

## **ARTICLE XVI ORDER OF BUSINESS AND RULES**

### **Section 16.1 Order of Business**

The order of business for Annual Meetings of the Association shall be as decided by the Chairperson.

### **Section 16.2 Rules**

Robert's Rules of Order (latest edition) shall govern when not inconsistent with these Bylaws or any policies or procedures duly adopted by the Board of Directors.

## **ARTICLE XVII STANDING COMMITTEES**

### **Section 17.1 Standing Committees**

The Board of Directors shall determine from time to time the Standing Committees of the Association. Each Standing Committee shall consist of three or more voting members. With the requirement that the Chairperson of the Committee be a current member of the Board of Directors.

## **ARTICLE XVIII AMMENDMENT OF BYLAWS**

### **Section 18.1 Amendment of Bylaws**

These Bylaws may be amended by a two-thirds vote of the Board of Directors, provided that (i) any proposed amendment is first considered at a meeting of the Board of Directors prior to the meeting at which it is voted upon, and (ii) the text of the proposed amendment is included in the agenda for the meeting of the Board of Directors at which it will be voted upon.