

MASTER
BYLAWS, POLICIES AND PROCEDURES
OF STUDY GROUPS

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ARTICLE 1 - PURPOSE

A group of business executives, hereinafter called the Group, mutually associated to provide a confidential exchange of experiences, problems, solutions, and ideas at regular meetings; and to receive through Finance & Resource Management Consultants, Inc. (a non-related professional organization hereafter called the Firm), the benefit of reliable, comparative operating data on a periodic basis.

The success of the Group depends upon regular and consistent attendance at all scheduled meetings. Each Study Group member, hereinafter called Member, is obligated to make contributions of ideas and experiences, and having spent considerable time for advance preparation, he or she deserves and is entitled to receive such information from each and every other Member.

It is expressly not the purpose of this Group to represent its Members in any negotiations, demands, representations, or other contact with any supplier or its appointees.

This Group will not conduct its affairs in any way which might constitute or be construed as an endorsement of special interest groups, associations or commercial enterprises.

For competitive considerations and for compliance with antitrust laws, Members of the Group must be geographically separated and must not be competitors with each other. Each meeting shall begin with a reading of the following antitrust statement:

The Study Group and its Members, officers, and consultants fully support and intend to comply with all applicable federal and state antitrust laws and shall not engage in anticompetitive conduct or practice, nor allow the Study Group to be used by any Member or Chapter of anyone for anticompetitive or unlawful purpose or having any anticompetitive effect, including but not limited to the following kinds of prohibited conduct:

- a. Any discussion or effort to directly or indirectly fix, raise, lower, control, recommend, suggest or maintain prices on products.
- b. Any contract, combination, conspiracy, discussions or effort to divide or allocate markets or customers.
- c. Any discussion or effort to injure the business or trade of anyone.

ARTICLE 2 - FREQUENCY OF MEETINGS

Meetings will be held two to three times per year, at approximately four to six-month intervals, and the Firm will schedule dates to provide equitable services for all Groups.

Each meeting shall be of not less than eight hours nor more than 16 hours.

ARTICLE 3 - EXECUTIVE COMMITTEE

This Committee shall serve as the Steering Committee of the Group, shall be the liaison between the Group and the Firm, and shall work with the Firm in the development of Prospective Members as discussed elsewhere in these Bylaws. It shall be the responsibility of the Committee to assure adherence to and compliance with these Bylaws, Policies and Procedures. Its authority will include the investigation of and ruling on any and all incidents and occurrences which appear to be exceptions to and noncompliance with these Bylaws, which may arise and/or be brought to its attention by a Member, or by the Firm's representative.

This Committee is comprised of a President, a President-Elect, and the Immediate Past President with staggered terms of office. The term of office for the President shall run for 12 months from January through December each year. The President-Elect shall become the next President and a new President-Elect shall be selected by the Members in the fall of each year.

After his or her term of office has expired, an ex-committee Member cannot again serve on the Committee until after one year. Any Committee Member can be removed from the Committee by a two-thirds vote of all Members present at a regular meeting.

It shall be the practice of this Group that this Committee comprise Members with greater seniority, so as to gain the benefit of their experiences in selecting high quality new Members and in enforcing these Bylaws.

If, in the opinion of any Member, or the Firm's representative, any action or failure to act constitutes a noncompliance with the Group's Bylaws, Policies and Procedures, or appears detrimental to the Group's purpose and progress, a request for a decision shall be submitted to this Committee, orally or in writing, and the Committee shall render a decision on the request and proceed with any action they deem advisable before the adjournment of the general Group meeting.

ARTICLE 4 - INFORMATION SECURITY

All information furnished by, to, or about a Member or Member-Candidate is considered and acknowledged to be of a confidential nature. All of the meeting statistics and monthly composites are coded so that they are identifiable only to Members and authorized persons in attendance at a meeting. No Member shall disclose Group statistics or other distributed information to any other Company, supplier personnel, trade associations, or publications. The underlying data is owned by the Firm and the Firm is granted permission to combine information from more than one Group in order to generate broader industry statistics and averages. This information may be made available by the Firm for the benefit of the Study Group Members for their own individual use only. The Firm may also utilize this aggregated information for other purposes.

ARTICLE 5 - INFORMATION REPORTING PROCEDURES

Each Member shall submit to the Firm monthly a copy of the current Study Group monthly reporting form reflecting true operations of the reporting Company which is:

1. Complete
2. Legible
3. Full size
4. Of the Member's reporting Company
5. In conformity with established reporting standards

It is the responsibility of each Member, and not the Firm, to make any adjustments necessary on the reporting form to achieve this conformity.

To be assured of inclusion in the monthly composite, the Member's reporting form must be received 45 days after the end of the month being reported on [the 15th of the second month] or at such other date as is mutually agreed upon by the members of a particular study group. Repeated omissions from the monthly composite shall constitute grounds for termination of membership.

In order for the composite to be more meaningful and more valuable to the Members, it includes certain statistical data and computations based upon information not available from the standard financial statement. The Firm prepares and distributes to all Members a blank master reporting form which the Member retains and duplicates as needed to prepare each month's reports. Reporting forms are also available electronically or on the study group website at www.studygroups.com. The completed form is then faxed, mailed, or e-mailed to the Firm for each reporting period. Information may also be entered online.

The Firm shall collate, promulgate and distribute a monthly composite of comparative statistics, summarizing the operational data information received from the Members, but disclaims responsibility for the accuracy or authenticity of any data furnished by the respective Members.

The Firm shall make every effort to ensure complete accuracy in reproducing data obtained from the reporting Members; however, the Firm shall not be held liable for any action or decision taken as a result of the data presented.

ARTICLE 6 - DEFINITIONS AND MEMBERSHIP SUCCESSION

Member

The designation, "Member", as referred to in these Bylaws, shall be the bona fide representative of the firm for which operating data is being included in the monthly Composite. There normally can be but one Member representing a reporting firm, and this person will be the individual so designated by the Executive Committee at the time of initial membership or subsequent thereto. Upon approval of the Executive Committee the "Member" may in unusual and infrequent circumstances, send an alternate representative to a meeting. Such an alternate should be a partner, relative active in the business, or a senior management person.

Membership Succession

Membership in the Group is personal and thus is not transferable or inherited. In the event of change of ownership or active management of the firm which a Member is representing, the occurrence of the new owner or manager becoming a Member of the Group shall be in compliance with the New Member Procedure as outlined in these Bylaws.

ARTICLE 7 - NUMBER OF MEMBERS

The membership of a specific Study Group shall normally be a minimum of 10 and a maximum of 20 members. A Group may also establish a membership size greater or less than this range upon the approval of Members of that group. Groups in the process of forming may be established with a smaller number of firms initially.

ARTICLE 8 - SERVICES PERFORMED BY THE FIRM

Monthly Composites. From the financial statements submitted monthly by the Members, the Firm will prepare a financial composite, comparative as to Member. The information presented therein is monthly along with a 12 month moving average.

Meeting Statistics. From information extracted from the financial statements and questionnaires, pertinent financial data and related statistics are prepared to reveal and indicate trends of strength and weakness in certain operations of the Members. These statistics are presented visually and orally at the meeting by the Firm's representative, and handouts containing the same information are distributed among the Members for their later private study.

Special Studies. Quite often it is important to go to great depth into one aspect or department of individual operations, and the Firm obtains or develops special information for distribution among the Members, or for work programs at the meetings.

When performing any of the above three services, the Firm may require supplemental data. It shall be the responsibility of the Member to respond promptly to such questionnaires and have the correct data into the Firm's office by the established deadline, so the Member's data is included in the study.

Inter-Group Communications. Members of a specific Group will often share Best Ideas among themselves. The content of these ideas will remain solely within the group. The Member originating the idea, however, may elected to have his or her Best Idea shared among other Groups in order that Members may benefit from the experiences of Members in Groups other than their own. The dissemination of the Member's Best Idea to other Groups is voluntary and at the sole discretion of the Member originating the idea.

Meeting Arrangements. The Firm will work in conjunction with Members of the Executive Committee in selecting meeting sites and meeting dates for the Group. The Firm will provide the Group with a Meeting Coordinator. The Meeting Coordinator will handle all meeting bookings and will work directly with the facility and/or agency where the meeting will be held, for the benefit of all Members. Members are responsible for making and guaranteeing their own reservations with the hotel property.

Cash Advances and Pro Rata Billings. The Firm will arrange Group meals, hospitality functions, related Group activities, and other expenses, and bill pro rata amount the Members benefited thereby.

It has been agreed to by the Members of the Group that all Members of record shall be billed for, and pay, an equal portion of specified expenses pertinent to meetings and the welfare of the entire Group, whether or not they are in attendance at a particular meeting.

These specific expenses shall be limited and restricted to: (1) The costs of any special studies conducted by the Group; (2) Meeting room expenses, including coffee breaks and rentals; (3) Fees and expenses paid to or on behalf of a special speaker, provided the invitation to said speaker was approved by the Group at its previous meeting or the cost of such speaker(s) will not exceed \$200 per firm; (4) Facilitation expenses for the representative from the Firm in attending a meeting.

ARTICLE 9 - ELIGIBILITY FOR MEETING ATTENDANCE

Only the following will be permitted to attend any general meetings of the Group:

1. Present Members of the Group.
2. Representatives of the Firm.
3. An approved alternate of a Member, whether or not accompanying the Member, provided the Member has obtained the prior approval of the Executive Committee in advance of the meeting.
4. A prospective Member, after complying with the proper procedure as outlined in Article 12.
5. A blood or legal relative of Member, if accompanying the Member, provided such individual is active in the firm in which the Member has a financial interest.
6. Special guests who have been invited to make a presentation shall attend only their presentation segment of the meeting unless the Group extends an invitation otherwise.
7. An employee of a Member's reporting firm may accompany that Member for purposes of assisting the Member during a presentation. This employee shall attend only his or her presentation segment of the meeting unless the Group extends an offer otherwise.
8. An employee of a Member's reporting firm may accompany that Member or alternate for purposes of hearing an agenda subject of specific interest to such employee, provided the Member has obtained the prior approval of the Executive Committee. This employee shall attend only that portion of the meeting during which the particular agenda subject is being discussed.
9. An Honorary Member, defined as a previous Member who has been designated as an Honorary Member by a two-thirds majority vote of the membership present at any meeting.
10. Any special guest, such as a supplier representative, etc., may be allowed to attend a specific portion of a meeting provided he/or she has previously been approved by the Executive Committee.

Members agree to have attending Non-Members sign the following non-disclosure agreement:

Confidentiality Agreement

In consideration of the benefit of my participation in the Study Group:

I acknowledge that through my participation in the current Study Group meeting or subsequent meetings I may be exposed to certain financial information, operating information, and other information (collectively, the “Confidential Information”). I recognize and acknowledge the competitive value and confidential nature of the Confidential Information and the damage that could result if Confidential Information is disclosed to any third party. Accordingly, I hereby agree to treat all Confidential Information provided, whether written or oral, as secret and confidential.

I acknowledge that the nature of the Confidential Information does not lend itself, in the event of a breach, to complete redress with the payment of damages. Accordingly, I agree that, in the event of a breach of this Agreement by me, the affected Study Group Member(s) may petition a court for specific performance, in addition to any damages a court may assess in connection with such breach.

This Confidentiality Agreement is entered into this _____ day of _____ (month), _____ (year).

Signed: _____

Printed Name: _____

Company: _____

ARTICLE 10 - REQUIRED ATTENDANCE AT MEETINGS

The success of the Group depends upon regular and consistent attendance at all regularly scheduled meetings.

There will be occasions when a Member cannot attend a meeting. Should a Member fail to attend at least two meetings during a two-year period, his or her membership is in jeopardy. The attendance record, together with the circumstances causing the absences, will be reviewed by the Executive Committee, and their recommended action shall be put to vote by the Members in attendance at the current meeting.

Membership is automatically terminated if a Member fails to attend three consecutive meetings. Waiver of this provision can be made only by the two-thirds vote of the Members at a meeting.

Attendance at a meeting by an alternate representative only does not fulfill a Member's attendance requirements under this Article.

ARTICLE 11 - QUALIFICATION OF A MEMBER

To qualify for consideration to election as a bona fide Member, a person must:

1. Be willing and able to contribute ideas and experiences for the benefit of the Group at its general meetings.
2. Be willing and able to maintain regular attendance at the general meetings according to Article 10.
3. Be acceptable to the general membership.
4. Be an active principal or manager at the firm for which operating data is reported.

ARTICLE 12 - NEW MEMBER PROCEDURE

All Group Members, together with the Firm will search for names of prospective new Members. The Executive Committee and the Firm together will coordinate the recruiting efforts.

An individual who has expressed an interest in the Study Group will be asked to complete a firm profile sheet and to indicate whether they can comply with the Bylaws of the Group. If their response is positive, their name along with an endorsement from at least one existing Member of the Group will be submitted to the Group for approval. Acceptance into the Group requires the unanimous approval of all existing Study Group Members by mail or of all Members in attendance if the vote is taken at a regularly scheduled meeting. Under no conditions will a new individual be accepted into the Group if that individual is a competitor with any existing Study Group Member.

ARTICLE 13 - TERMINATION OF MEMBERSHIP

A person's status as a Member, may be terminated at any time by the vote of two-thirds of the membership present at any regularly scheduled meeting, if, in their opinion, that person has failed to maintain acceptable standards in any of the areas listed in Article 11, or fails to comply with the provisions of Articles 1, 4, 5 and 10; or for any action, or failure to act, which appears detrimental to the Group's purpose or progress. If a competitive conflict develops between two members of a group and the group is asked to vote on which member to retain and which member shall be asked to resign, a simple majority vote of the group shall determine the outcome.

Billing is based upon the Members on the Group roster as of the last business day of the month preceding each calendar quarter. A Member may terminate his or her membership in the Group at any time by notifying the Firm in writing of his or her desire to do so. Termination will become effective at the close of the calendar quarter during which such notice was received by the Firm. The Member shall be responsible for payment of any outstanding billings.

The Executive Committee may terminate a Member for a 30-day delinquency in the payment of management fees or pro rata billing of meeting expenses.

ARTICLE 14 - QUORUM FOR VOTING

A meeting shall be deemed a quorum if two-thirds of the Members are present, and on any matters requiring a vote, only a Member is eligible to vote. A membership is entitled to only one vote.

In the event only an alternate representative is present from a jobbership, he or she may be canvassed as to his opinions or sentiments on the subject being debated, but cannot vote.

Exceptions and amendments of these Bylaws, and all other decisions require a two-thirds affirmative vote of the Members present.

ARTICLE 15 - AMENDMENTS AND WAIVERS

Amendments to these Bylaws may be proposed by the Firm, by the Executive Committee, or at any regularly scheduled meeting, by a majority vote of the Members present at that meeting.

Any amendment shall then be sent to the entire membership at least 45 days prior to the next scheduled meeting with notice that a vote on the proposed amendment will take place at the next scheduled meeting.

At the next scheduled meeting, the proposed amendment to the Bylaws shall be voted upon by the Members then present (provided a quorum is present) and shall be passed and considered adopted if approved by the Firm and by a two-thirds affirmative vote of the Members.

A customized addendum to these Bylaws may be adopted by an individual study group to specify items of specific interest to their group such as the group name, the monthly reporting deadline, etc. The adoption of such an addendum shall be governed by the same amendment procedures described in Article 15.

Any specific provision of these Bylaws may be temporarily waived by approval of the Firm and by a unanimous majority vote of the Members present at any regularly scheduled meeting at which a quorum is represented.

ARTICLE 16 - FINANCIAL RESPONSIBILITY TO THE FIRM

Members of record at the close of a calendar quarter are responsible for payment in advance of the next quarter's consulting dues at the rate established by the Firm. The Firm agrees to notify Members of any proposed change in the quarterly fee at least 30 days prior to the start of any calendar quarter. The sheet "What Is Covered By Study Group Charges", available from the Firm, provides current fee information and additional information about study group charges.

Voluntary termination of membership (Article 13) will become effective at the close of the calendar quarter during which such written notice was received by the Firm.

If a membership is terminated by Group action, any unpaid fees or pro rata costs due from such Member which are delinquent sixty days after the effective date of such involuntary termination shall be prorated among the remaining Members of the Group.

Although there is no formal contract between the Firm and the Member, acceptance of membership in the Group presumes acceptance by the Members of these Bylaws and of the fee arrangements and financial responsibility as set forth herein.

ARTICLE 17 – PROHIBITION AGAINST HIRING MEMBER FIRM EMPLOYEES

Study Group Members agree to not hire or solicit for hire individuals employed by a fellow Study Group Member. Should an employee voluntarily quit working for a fellow Study Group

Member, Members agree to not hire or solicit for hire the formerly-employed individual for a minimum of six (6) months. Should an employee be involuntarily terminated from employment by a fellow Study Group Member, Members may solicit the formerly-employed individual for hire.

Should a complaint arise suggesting a Member's violation of this Article, the case will be referred to the Executive Committee to ascertain the facts. After reviewing the facts the Executive Committee may recommend termination of membership for the violating Member as provided for in Article 13 – Termination of Membership.