

**BYLAWS**  
**of**  
**Independent Dealers of Entertainment Association**

(An unincorporated autonomous division of the Video Software Dealers Association)

As adopted July 12, 2004

**ARTICLE I**

**Name**

The name of this organization shall be Independent Dealers of Entertainment Association (IDEA).

**ARTICLE II**

**Purposes**

The purposes for which **IDEA** is formed are: to better serve the specific needs of members of the Video Software Dealers Association (“the Association”) that are independent retailers; to identify, develop, manage, and oversee appropriate products and services for independent retailers; to empower them to exercise greater control over the design, selection, and implementation of programs, products, and services for their benefit; and for other such purposes as specified in the Bylaws of the Association.

**ARTICLE III**

**Membership**

The members of **IDEA** shall consist of, without further qualification, Regular Members of the Association in good standing who are video specialty retailers with at least one but no more than one hundred physical retail stores. Any other Regular Member of the Association in good standing may, upon request to the Board of Trustees, belong to **IDEA** without any further qualification, and shall enjoy all the rights and privileges thereof.

## ARTICLE IV

### Meeting of Members

Section 1. Annual Meeting. An annual meeting of the members of IDEA shall be held at the Association's annual convention, at which time the members shall transact such business as may properly be brought before the meeting; provided, however, that the Board of Trustees may from time to time change the date or the place of such meeting, provided at least thirty (30) days written notice of such change is given to each member of IDEA.

Section 2. Special Meetings. Special meetings of the members, for any purpose or purposes, may be called by the Chair at his or her discretion, upon a resolution approved by a two-thirds (2/3) vote of the entire Board of Trustees or upon a petition signed by twenty-five percent (25%) of the members of IDEA. The call of any such meeting shall state the purpose or purposes of the proposed meeting.

Section 3. Notice. Notice of special meetings of the members of IDEA shall be given by written notice to each member of record, directed to his or her address as shown upon the books of the Association, at least ten (10) days prior to the date of such meeting. Such a notice shall state the date, place, and purpose of the meeting. No notice shall be required for any Annual Meeting except as provided for in Section 1 of this Article.

Section 4. Quorum. Fifteen percent (15%) of the members of IDEA present in person, or represented by proxy, shall constitute a quorum for the transaction of business at any meeting of the members of IDEA except as otherwise provided by these Bylaws.

Section 5. Voting.

(a) At any meeting of the members of IDEA, every member shall be entitled to vote on such matters as put before them, in person, by written ballot where authorized by the Board of Trustees, or by proxy appointed by the instrument in writing subscribed by such member and bearing a date not more than thirty (30) days prior to such meeting. Each member shall have one (1) vote.

(b) When a quorum is present at a meeting of the members, the vote of the majority of the members present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of these Bylaws or of the Bylaws of the Association a different vote is required, in which case such express provision shall govern and control the decision of such question.

## ARTICLE V

### Trustees

Section 1. Composition. The Board of Trustees shall be composed of no more than ten (10) members.

Section 2. Qualifications. A Trustee shall be either a sole or majority owner, general partner, or a full-time employee of a company that is a member of IDEA. For the purposes of this Section, “full-time employee” is defined to mean an employee who devotes full time and effort to the interests of the member employer.

Section 3. Election.

(a) Nine Trustees shall be elected by a vote of the membership of IDEA.

(i) The Election Committee shall annually promulgate rules for the conduct of the election of Trustees by the membership of IDEA. Such rules shall be consistent with these Bylaws.

(ii) No later than February 1 of each year, members of iDEA shall be advised of the opportunity to nominate candidates for election to the Board of Trustees for terms commencing that year. A candidate shall be deemed duly nominated upon the submission of four qualified notices of nomination signed by members of iDEA to the Secretary of iDEA. Such notice of nomination shall be submitted no later than April 15 and may be by letter, electronic mail, or such other form as authorized by rules for the conduct of the election.

(iii) In the event that the Secretary does not receive sufficient nominations by letter to fill the anticipated vacancies on the Board of Trustees by the date upon which such petitions must be submitted, the Election Committee shall, not later than April 30, select and nominate from the roster of members of IDEA a slate of candidates in such number as the Board of Trustees shall determine. Such additional nominations shall be added to the list of candidates nominated by letters of nomination and the total shall be submitted for vote to the membership.

(iv) The election of Trustees shall be accomplished by the use of mail ballots. Such mail ballots shall be forwarded to qualified members no later than May 15. The date for final receipt of ballots from the members shall be determined by the Election Committee and shall be no earlier than June 15 and no later than June 30.

(v) The election of Trustees shall be accomplished by the use of paper and electronic ballots. Paper ballots shall be forwarded to qualified members no later than May 15. Electronic ballots shall be available on-line no later than May 15. The date for final receipt of mailed paper ballots and for transmitted electronic ballots shall be determined by the Election Committee and shall be no earlier than June 15

and no later than June 30. Members may use either paper or electronic ballots, but not both, for any election.

(b) One Trustee may be elected by the Board of Trustees upon the favorable vote of a majority of the entire Board of Trustees, except that a Trustee under consideration for appointment shall neither vote nor be counted in determining a majority of the entire Board of Trustees for the purpose of such appointment.

Section 4. Term of Service.

(a) Except as provided in Section 5, Trustees elected pursuant to Section 3(a) of this Article shall serve staggered terms of three (3) years each, commencing at the first organizational meeting of the Board of Trustees following their election.

(b) Trustees elected pursuant to Section 3(b) of this Article shall serve a term of one year. The terms of such Trustees shall commence as specified by the Board of Trustees.

(c) Term Limits.

(i) No member of the Board of Trustees shall be permitted to serve as a Trustee of IDEA for more than six (6) consecutive years or seek election to the Board where such election might result in that Trustee exceeding his or her remaining years of eligibility; provided, however, that a Trustee may seek election for an unexpired one- or two-year term where such election would not exceed that Trustee's remaining years of eligibility.

(ii) Service under a completed term of less than eighteen months shall not be considered for the purposes of the term limitation provisions of this Section.

(iii) The disqualification from further service on the Board pursuant to this section shall expire twelve (12) months following cessation of an individual's Board service.

(iv) The Board of Trustees may, by a majority vote of the entire Board, exceed the term limitation provisions of this section by one year and may expand the size of the Board for one year in order to appoint as a non-voting member of the Board one immediate previous Officer of the Board whose re-election would otherwise be prohibited under this Section.

**Section 5. Removal.**

(a) A Trustee may be removed from the Board of Trustees prior to the expiration of his or term for violation of these Bylaws. The removal of a Trustee for cause shall require the affirmative vote of two-thirds of the entire Board of Trustees.

(b) A member of the Board of Trustees who fails to attend two Board meetings in a calendar year may be removed from the Board unless the Board specifically determines that at least one such absence was for good cause.

**Section 6. Vacancies.** Any vacancy occurring with respect to a member of the Board of Trustees elected by the membership may be filled by a favorable vote of a majority of the entire Board of Trustees; but a Trustee so elected shall hold office only until the next organizational meeting of the Board of Trustees..

**Section 7. Conflicts of Interest.**

(a) Any Trustee having direct and substantial interest in a matter being considered by the Board, shall disclose that such an interest exists and abstain from discussion of, or voting on, the matter. Any Trustee who, with knowledge of a personal financial interest in the outcome, fails to disclose such interest and participates in a vote on such matter shall be subject to removal from the Board of Trustees.

(b) At the annual organizational meeting of the Board of Trustees, each Trustee shall sign a statement acknowledging that he or she has read and understood this Section and that Trustees are subject to sanctions, including dismissal from the Board, for failing to disclose interests for which disclosure is required by these Bylaws.

## **ARTICLE VI**

### **Meetings of the Trustees**

**Section 1. Regular Meetings.** Regular meetings of the Board of Trustees may be held upon such notice and at such time and place as shall from time to time be determined by the Board.

**Section 2. Special Meetings.** Special meetings of the Board of Trustees may be called by the Chair on five (5) days notice to each Trustee. Special meetings of the Board shall be called by the Chair or Secretary in like manner and on like notice upon the written request of a majority of the Trustees. All such notices shall state the purpose or purposes of the proposed meeting.

Section 3. Quorum. At all meetings of the Board of Trustees the presence of a majority of the Trustees shall be necessary and sufficient to constitute a quorum for the transaction of business.

Section 4. Voting. The act of a majority of the Trustees present at any meeting at which a quorum is present shall be the act of the Board of Trustees, except as may be otherwise specifically provided in these Bylaws or by the Bylaws of the Association.

Section 5. Compensation and Reimbursement. Trustees shall not be entitled to compensation for their services as Trustees but shall be entitled to reimbursement of reasonable expenses incurred by them in attending meetings of the Board of Trustees. Any Trustee may waive reimbursement for any meeting. No Trustee shall be barred from serving the Association in any other capacity or from receiving compensation and reimbursement of reasonable expenses for any or all such other services.

Section 6. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Trustees may be taken without a meeting and without prior notice if a written consent in lieu of such meeting which sets forth the action so taken is signed either before or after such action by all Trustees. All written consents shall be filed with the minutes of the Board's proceedings.

Section 7. Teleconferences. The Board of Trustees may participate in meetings by means of conference telephone or similar communications equipment, whereby all Trustees participating in the meeting can hear each other at the same time, and participation in any such meeting shall constitute presence in person by such Trustee at such meeting. A written record shall be made of all actions taken at any such meeting.

## **ARTICLE VII**

### **Powers of Trustees**

Section 1. Powers. The Board of Trustees shall govern the affairs of IDEA pursuant to the powers and authorities expressly conferred by these Bylaws and by the Bylaws of the Association. The Board of Trustees, consistent with these Bylaws, shall exercise general direction over and oversight of the activities and staff of IDEA, shall determine its policies and changes therein, and shall actively prosecute its purposes and develop and implement such programs, products, and services as may be in the best interests of the members of IDEA.

Section 2. Limitations. Nothing in these Bylaws shall be deemed to empower the Board of Trustees to borrow funds, obligate the Association, exercise direction over and oversight of the government affairs, public relations, industry research, and Home Entertainment Events joint venture activities of the Association, or conduct any business

beyond the scope of the authority expressly conferred by these Bylaws and by the Bylaws of the Association.

## ARTICLE VIII

### Officers

Section 1. Officers. The officers of IDEA shall consist of a Chair, a Vice Chair, Secretary and a Treasurer.

Section 2. Election. The officers shall be elected annually by the Board of Trustees from among the members of the Board. The Board of Trustees shall hold an organizational meeting annually for the purpose of electing officers. Such organizational meeting shall be convened no later than sixty (60) days following the date for final receipt of ballots for the election of Trustees, as provided in Article IV, Section 3. Election shall be by written ballot and a majority of votes cast shall elect.

Section 3. Terms. All officers shall take office immediately upon election and serve until the next organizational meeting of the Board of Trustees and until their respective successors are chosen.

Section 4. Chair. The Chair shall preside at all meetings of the members of IDEA, shall have general supervision over the affairs of IDEA, shall preside at all meetings of the Board of Trustees, shall see that all orders and resolutions of the Board of Trustees are carried into effect, shall have general superintendence and direction of all the other officers of IDEA and shall see that their duties are properly performed, shall report to the Board of Trustees all matters within his or her knowledge which the interest of IDEA may require to be brought to its attention, may be a member, with the right to vote, of all standing and special committees except any committee appointed to review or administer the election of Trustees, shall be the primary spokesperson for IDEA, and shall have all general powers and duties usually incident to this office.

Section 5. Vice Chair. During the absence or disability of the Chair, the Vice Chair shall exercise all the functions of the Chair, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the Chair. The Vice Chair shall also have such powers and discharge such duties as may be assigned to him or her from time to time by the Board of Trustees or the Chair.

Section 6. Secretary. The Secretary of IDEA shall give or cause to be given notice of meetings of the members of IDEA and of the Board of Trustees, shall maintain the bylaws and minutes of IDEA, and shall perform such other duties as may be assigned to him or her by the Board of Trustees or the Chair.

Section 7. Treasurer. The Treasurer shall render to the Chair and Trustees, at the regular meetings of the Board, or whenever they may require it, an account of all of

his or her activities as Treasurer and of the financial condition of IDEA, and shall perform such other duties as may be assigned to him or her by the Board of Trustees or the Chair.

Section 8. Removal or Discharge. The removal or discharge of an officer prior to the expiration of the officer's term of office shall require a favorable vote of a majority of the entire Board of Trustees.

Section 9. Vacancies. If the office of Chair, Vice Chair, Secretary or Treasurer becomes vacant by reason of death, resignation, disqualification, or otherwise, the Trustees may choose a successor or successors from among the members of the Board of Trustees who shall hold office for the unexpired term.

## **ARTICLE IX**

### **Executive Committee**

Section 1. Composition. The officers of IDEA shall constitute the Executive Committee.

Section 2. Duties and Powers. The Executive Committee shall have general supervision of the affairs of IDEA between meetings of the Board of Trustees, fix the hour and place of meetings, make recommendations to Board of Trustees, and perform such other duties as are specified in these Bylaws. The Executive Committee shall be subject to the orders of the Board of Trustees, and none of its acts shall conflict with actions taken by the Board of Trustees.

Section 3. Meetings. The Executive Committee shall meet at such time and place as determined by the Chair.

## **ARTICLE X**

### **Committees**

Section 1. Budget & Finance Committee. A Budget & Finance Committee composed of the Treasurer and at least three other members, at least one of whom shall be a Trustee who also serves on the Board of Directors of the Association and at least one of whom is not a Trustee, shall be appointed by the Board of Trustees annually. It shall be the duty of this committee to prepare an annual budget for IDEA and submit it to the Board of Trustees and to oversee the finances of IDEA.

Section 2. Election & Bylaws Committee. An Election & Bylaws Committee composed of one Board member and at least two other members, at least two of whom are not trustees, shall be appointed by the Board of Trustees annually. It shall be the duty of this

committee to administer the election of trustees by the membership of iDEA as specified in Article V, Section 3, to oversee the election process, to propose amendments to these Bylaws as it deems necessary, and to review and make recommendations on all proposed amendments to these Bylaws.

Section 3. Other Committees. Such other committees, standing or special, shall be appointed by the Board of Trustees as the Board shall from time-to-time deem necessary to carry on the work of IDEA.

Section 4. The Chair shall be an ex officio member of all committees, except the Election & Bylaws Committee.

## **ARTICLE XI**

### **President of the Association**

The President of the Association shall be the chief operating officer of IDEA with responsibility for the management of all operations, programs, activities, budgets, and financial affairs of IDEA including employment, supervision and termination of employment, and the determination of compensation of members of the staff. He or she shall have the authority to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts, and documents on behalf of IDEA. The President shall submit a report of the operations of IDEA to the Trustees and members at the Annual Meeting, shall report in a timely manner to the Board of Trustees all matters within his or her knowledge which the interest of IDEA may require to be brought to their attention, and shall perform such other duties as may be specified by the Board of Trustees or the Board of Directors of the Association.

## **ARTICLE XII**

### **Fees, Annual Dues and Mandatory Assessments**

The Board of Trustees may, upon the affirmative vote of two-thirds (2/3) of the entire Board and subject to the provisions of Article X, Section 3 of the Association's Bylaws, establish fees, annual dues, and mandatory assessments exclusively for members of IDEA.

## **ARTICLE XIII**

### **Dissolution**

The IDEA may be dissolved only as provided in the Bylaws of the Association.

## **ARTICLE XIV**

### **General Provisions**

Section 1. Roberts Rules of Order. Where not inconsistent with these bylaws, the latest Revised Edition of Roberts Rules of Order shall govern where appropriate.

Section 2. Notice.

(a) Form; Delivery. Any notice required or permitted to be given to any Trustee or member, shall be given in writing, either personally, by courier service or by first-class mail with postage prepaid, in either case be addressed to the recipient at his or her address as it appears on the books of the Association. Notices delivered by courier service and personally delivered notices shall be deemed to be given at the time they are delivered at the address of the named recipient as it appears on the books of the Association and mailed notices shall be deemed to be given at the time they are deposited in the United States mail. Notice to the Trustee also may be given by facsimile transmission or electronic mail sent to his or her facsimile or electronic mail address as it appears on the books of the Association and shall be deemed given at the time delivered at such address.

(b) Waiver; Effect of Attendance. Whenever any notice is required to be given by these Bylaws, a written waiver thereof, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be the equivalent of the giving of the notice. In addition, any member who attends a meeting of IDEA membership in person, or who is represented at such meeting by a proxy, or any Trustee who attends a meeting of the Board of Trustees shall be deemed to have had timely and proper notice of the meeting, unless such member (or his or her proxy) or Trustee or committee member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

Section 3. Amendments. These Bylaws may be amended by a two-thirds (2/3) majority of the entire Board of Trustees at any duly held regular or special meeting of the Board of Trustees, provided that the amendment has been submitted in writing at the previous regular meeting.