

# **Perfect Timing Investment Club**

## **BYLAWS**

Provisions of the Bylaws shall not be in conflict with the Member Agreement.

### **Article I. Purpose**

To invest the assets of the Club in stocks, bonds, and securities for the financial and educational benefit of the Members, while employing innovative investment practices. The investment goal is to maximize near term return potential while maintaining positive return over any three year period.

### **Article II. Meetings (Regular, Special, Quorum)**

- Members may participate in any meeting, regular, special or annual, by personal attendance, attendance by telephone or video conference, voting by proxy, voting in advance on any resolution or in any election or by providing an opinion regarding any business to be conducted at any meeting provided notice of the use of a proxy or the provision of votes or opinions is provided to the Secretary at least two days prior to the meeting.
- Meetings will be held once each quarter, generally during the months of January, April, July and October. Specific times, agendas and proposed resolutions for meetings will be e-mailed to Members no less than 10 days before a Meeting. Meetings may be canceled or rescheduled by a majority of all Members voting in advance of a scheduled meeting or by the majority vote of the Members participating in a meeting.
- In the month of January, the Annual Meeting shall be held in conjunction with the regular business meeting, at which time new officers will be elected and a full and complete Annual Accounting of the financial condition of the Club shall be made to the Members.
- Special meetings may be called at any time by the President. Also, any Member, or group of Members, whose Units comprise five percent (5%) of the outstanding Units of the Club may request a special meeting through the President, in writing. In all cases, special meetings shall be limited to the stated purpose, which must be communicated in advance to all Members.
- A quorum of forty percent (40%) of both the Members and the total outstanding Units (in person or proxy) must participate in any regular or special meeting in order for Club business to be conducted.
- Unless otherwise provided, all business at a meeting, including the removal of an officer, must be approved by a majority of Members participating in the meeting whose Unit accounts total a majority of the total of the Unit accounts held by all of the Members participating in the meeting.
- Amendments to the Club bylaws require the vote of those Members whose Unit accounts total a two-thirds (2/3) majority of the total of the Unit accounts.

## **Article III. Officers and Duties**

Initially when the Club Agreement is signed, and thereafter annually at the meeting to be known as the Annual Meeting, or as needed to fill any vacancy, Members shall be elected by a majority vote of the Members participating in a meeting, to the following positions and duties:

- *President:* Sets meeting dates and locations, appoints committees, presides over meetings, sees that the resolutions passed by the Club are carried out, and develops the educational program for the Members.
- *Secretary:* Keeps a record of the actions authorized by the Members, and notifies members of meetings and activities. The Secretary will keep hard copies of all Club correspondence.
- *Treasurer:* Keeps a record of the Club's receipts and disbursements and of the members' interests in the Club. Prepares the Club's regular Valuation Statement. Takes the place of the Presiding Member when he is absent or incapacitated.
- *Chief Trader:* Places the Club buy and sell orders with the Club's broker or transfer agent, or directly through a company.
- *Chief Auditor:* Reviews and reports on the performance of the Club investments. Reviews financial and tax statements prepared by the Treasurer and Chairs the Audit Committee.
- *Member:* Has signed the Club Agreement, been voted into the Club, and signed a statement agreeing to abide by the Club Agreement and Bylaws of the Club. Members will always keep a current mailing and e-mail address on file with the Secretary. Members must be natural persons with a valid Canadian Social Insurance Number which must be provided to the Club.

Nominations for President, Secretary and Treasurer will take place in December of each year. The Chief Trader and Chief Auditor will be elected at the initial meeting and will continue in those positions from year to year unless removed from office subject to Article IV.

Different individuals must hold the positions of President, Secretary and Treasurer. Different individuals must hold the positions of Chief Trader and Chief Auditor.

## **Article IV. Removal of an Officer**

If an officer of the Club (President, Secretary, Treasurer, Chief Trader and Chief Auditor) does not fulfill duties required as described in Article III, that Member will be notified in writing of the meeting at which removal from office will be discussed and voted upon. At that meeting, the Member may present statements to the Club in an effort to retain the position.

Removal will occur if so voted by Members participating in the meeting.

## **Article V. Guests**

Members may invite guests to any meeting of the Club with the prior approval of the President.

## **Article VI. Contributions**

Members will make a minimum initial investment of \$50,000. Members may also make optional additional contributions of at least \$10,000 at any regularly scheduled meeting. Members making additional contributions must provide written notice to the Secretary no less than 5 days before the contribution date. The minimum contribution requirements for the initial investment or additional investments may be waived, on a case-by-case basis, with the unanimous consent of the Members. No Member's Unit account shall exceed fifty percent (50%) of the total of the Unit accounts of all Members.

## **Article VII. Administrative Costs**

Administrative costs of the Club will be paid firstly from any fees collected and then from assets of the Club. Expenses less than \$100 may be approved by any two officers. Expenses greater than \$100 shall be approved by the agreement of the Members participating at a meeting and voting on a resolution relating to such expenses.

## **Article IX. Transactions and Valuation Statement**

- *Transactions:* Buy or sell actions shall be made by agreement of the Members present at a meeting. Standing buy and sell strategies may be made by the agreement of the Members present at a meeting and the Chief Trader may be authorized to independently place buy and sell orders subject to the strategy.
- *Unit Statement:* The Treasurer shall prepare, and the Chief Auditor shall review, a statement of Unit Price and a statement of Unit holdings of each Member, effective the Monday before any regularly scheduled meeting.

## **Article X. Book of Account**

The Book of Account shall be a complete set of accounts, consisting of assets, liabilities, individual Club accounts, and appropriate revenue and expense accounts.

For the purpose of tax reporting to the Canada Revenue Agency, the Club elects to use the modified partnership basis of income reporting (see CRA Information Circulars IC73-13 and IC73-13SR).

## Article XI. Annual Accounting

- Each calendar year, a full and complete account of the condition of the Club shall be made to the Members. The annual accounting shall take place at the Annual Meeting for the preceding year.
- All financial transactions shall be reviewed semi-annually by a Club Audit Committee.

## Article XII. Bank Account

The Club may select a bank for the purpose of opening a bank account. Funds in the bank account shall be withdrawn by checks signed by any Member or combinations of members designated by the Club.

## Article XIII. Broker Account

- All securities shall be purchased in the name of the Club.
- All securities shall be kept in the Club safe deposit box or with the broker.
- The Club is allowed to trade on Margin. In the event that a Margin account is opened the Broker will likely require a personal guarantee. The Chief Trader and the Chief Auditor will provide personal guarantees.
- The Chief Trader and Chief Auditor shall be the custodians of all securities.

In Witness thereof, the Members have set their hands, the year, and the date below:

Member (Printed Name)	Member (Signature)	Date Signed



