

Bylaws of the *ITEX* Brokers Association

Article I

Name & Definitions

Section 1. Name

The name of the organization is the ITEX BROKERS ASSOCIATION.

Section 2. Location

The principal office of the Association shall be located with the President of the Association.

Section 3. Definition

- A. **Company.** The ITEX Corporation, a Nevada Corporation.
- B. **Broker.** A person or entity who is party to one or more IRBAs or FAs or otherwise received a communication of appointment as an ILB or IFB.
- C. **ILB.** ITEX Licensed Broker
- D. **IFB.** ITEX Franchise Broker
- E. **IRBAs.** Independent Retail Brokers Agreement formerly known as Independent Retail Brokers Sales Agreement (IRBSA), the agreement between ILB and Company which grants the right to use the Company trademarks, sell the Company's services to clients of ITEX.
- F. **FAs.** Franchise Agreement between IFB and Company which grants the right to use the Company trademarks, sell the Company's services to clients of ITEX.
- G. **Principal.** The term "principal" means the person(s) or entity owning interest in a corporation or partnership which is the Broker.
- H. **Year.** The term "year" means the calendar year.
- I. **IBA.** The ITEX Brokers Association.
- J. **Regions.** Areas Identified as districts, each represented by a member-at-large.
- K. **Board of Directors.** Elected by the members, also referred to as the IBABD or The Executive Board.

Article II

Purpose of Association

Section 1. General

This Association is organized to improve and facilitate communications between the Company and Brokers. Except as its activities will indirectly benefit all Brokers and the Company, it is not the intent of the Association itself to make any profit.

Section 2. The System

It is important that the Company and its Brokers conduct their operations in as nearly a uniform and distinctive manner as is reasonably possible, thereby allowing the ITEX Corporation to enjoy a public image and reputation in excess of that which any single Broker or the Company could alone establish. Uniformity and distinctiveness in methods of operation, customer service, and advertising are all of particular importance. The Association will advise the Company in maintaining, refining and developing this distinctive and uniform system of barter.

Section 3. Authority

Although the Company has ultimate authority for the barter system as developed, the Association will advise and assist the Company in the development, testing and introduction of new methods and procedures for promoting and conducting barter within the ITEX system.

Section 4. Fees

It is not the purpose of the Association to make decisions about fees charged to ITEX clients by the Company. Any such activity by the Association is improper.

Section 5. Advisory Capacity

Recommendations by the IBA to the Company are advisory only and do not bind the Company. The Company is the owner of the trademarks and systems and must ultimately have the authority and responsibility for all decisions affecting it.

Section 6. Arbitration

The Ethics Committee shall provide arbitration to a Broker and the Company when a dispute arises between Brokers or the Company, and arbitration is requested by either. The Association shall render an opinion and non-binding recommendation to the Company.

Article III

Membership

Section 1. Qualifications

- A. Member must be a Broker or principal of a Broker, and be in good standing with the Company and the Association.
- B. Good Standing means the Broker is solvent, not delinquent in payment of dues, special assessments or monies owed either to the Company or the Association and not in violation of local, state, or federal laws involving fraud, mail fraud or securities violations.
- C. Regular membership shall require the Broker to operate an independently owned and active ITEX barter office.
- D. Associate Brokers are not members of the Association.

Section 2. Voting Rights

Each member, (ILB or IFB) is entitled to (1) one vote on each matter submitted to a vote of the members. This means only one vote may be cast by any principal of an IRBA or FA regardless of interest in other IRBAs or FAs.

Article IV

Board of Directors and Officers

Section 1. Designation

The Board of Directors (IBABD) shall consist of seven persons, one elected from each of the six (6) regions according to the Apportionment map in the Appendix and a President of the Board. An Executive Board shall consist of the President, Vice President, Treasurer and Secretary.

Section 2. President

The President shall preside at all meetings of the IBA, the IBABD and the Executive Board and is responsible for the general management of the IBA. The President is authorized to act as direct liaison to the Company on behalf of the IBA except on the issues concerning remuneration, proposed contractual changes or changes to the Trading Rules. Proposals concerning these specific issues must be approved by a majority vote of the IBA before being acted upon by the President.

Section 3. Executive Vice President

The Executive Vice President shall assist the President.

Section 4. Secretary

Secretary shall be in charge of the records of the Association and shall keep or cause to be kept a book of minutes of all meetings of the IBA, IBABD and The Executive Board. The Secretary is responsible for giving notice of all meetings to the members of the IBABD and to all members of the IBA.

Section 5. Treasurer

Treasurer shall have custody of all IBA funds and keep full and accurate accounting. The Treasurer shall deposit and disburse all IBA monies using the depository-designated time to time by the IBABD.

Section 6. Members-At-Large

The Members-At-Large shall serve as members of the IBABD and represent the interests of the Brokers within their district. The Members-At-Large for the North West, South West and South Central Regions shall be elected in odd numbered years and for the North Central, North East and South East Regions shall be elected in even numbered years.

Section 7. Election of Members of the Board of Directors

Members of the IBABD shall be elected at the annual convention meeting of the IBA.

Section 8. Election of Executive Board

The positions of Vice President, Treasurer and Secretary shall be elected from the newly formed IBABD prior to the close of the Annual Convention of the IBA during which they were elected.

Article IV

Board of Directors and Officers

(Continued)

Section 9. Term

Officers shall be elected for a term of two (2) years, except the office of Executive Vice President which shall be elected for a term of one (1) year.

Section 10. Nominations

All eligible Brokers within the region shall be placed on the ballot by the Secretary. Those eligible Brokers not seeking a position on the IBABD must decline the nomination. President of the IBA must be elected by the general assembly of the IBA during the Annual Convention for a term of two (2) years.

Nomination process for President of the IBA:

Candidate must be nominated by a current and present member of the IBA.

Candidate will be nominated during the first meeting of the IBA at the Annual Convention and will be elected during the second meeting of the IBA at the Annual Convention.

The President-elect will assume their position at the end of the Annual Convention at which they were elected.

Candidates seeking election from a region whose broker representative is also up for election will first be considered for the President if so nominated.

When a candidate is nominated for President from a region whose Broker Representative is also up for election, another broker from that region must also be nominated.

Section 11. Eligibility

Candidates for a Board position representing a region must have one year experience as an active Broker, in good standing and attended one regional and one national convention and be present, except in the case of a medical emergency or death in the immediate family, to accept nomination or to qualify for nomination.

Candidates for President of the IBA must be a Broker in good standing with a least two (2) years experience as a member of the IBABD. Candidate for President must be present at the Annual Convention to be nominated and elected.

Section 12. Balloting

The candidates seeking election to the IBABD will be elected by written ballot voted by a majority of members present. In case of a tie, a runoff election of those nominees shall be held.

Section 13. Vacancies

IBABD vacancies shall be filled by a majority vote of the remaining members of the IBABD. A list of nominees will be drafted by the Secretary. Should the Secretary's seat be vacant, a list of nominees will be drafted by the Treasurer. Should both the Secretary and the Treasurer's seat be vacant, a list of nominees will be drafted by the Vice President. Should Secretary, Treasurer and Vice President's seat be vacant, a list of nominees will be drafted by the President and presented to the remaining members of the IBABD for vote at the next scheduled conference call of the IBABD where a quorum is present.

Article IV

Board of Directors and Officers

(Continued)

Section 14. Termination of Directors

Members of the IBABD may, by affirmative vote of two-thirds of all members of the IBABD, expel a Board Member if that member is found guilty of a prejudicial act to the purpose of the IBA.

For any other reason, other than non-payment of dues, removal shall occur only after the member has been advised of the complaint and received rights of due process. Such member, if removed, may appeal at the annual meeting by giving at least one month advance notice. The IBA members in attendance shall review and decide by a majority vote.

Section 15. Meetings

The IBABD shall meet annually in conjunction with the ITEX National Convention, before and after the IBA meeting and semi-annually after the completion of the fall regional meetings.

Article V

ITEX Broker Association Meetings

Section 1. Frequency

Members of the IBA shall attend two (2) regularly scheduled meetings each year. The Annual Convention, a meeting of all Brokers and a Regional Conference, a meeting of all Brokers of the region(s) as determined and designated by the IBABD for that conference year.

Section 2. Place

The annual meeting of the IBA shall be co-located with the ITEX Annual Convention. The location of Annual Convention shall be at places reasonable to all members of the IBA and officers of the company who may attend.

The Regional Conference meetings of the IBA shall be located within a reasonable distance of the regions whose members are attending.

Section 3. Notice and Time of Meetings

Notice is to be given not less than thirty (30) days prior to the date of the IBA Annual Convention and Regional Conference meetings. Notice of Special Meetings of the IBABD shall be given to the Company and all IBABD members not less than twenty days (20) prior to the date of the Special Meeting.

Section 4. Minutes

The Secretary shall keep minutes of all meetings and shall promptly distribute a copy of the same to each member of the IBABD.

Section 5. Quorum

Twenty (20) percent of the members at national meetings shall constitute a quorum for the transaction of business. Five (5) members of the Executive Board shall constitute a quorum for the transaction of business at its meetings.

Section 6. Proxies

Members may not vote by proxy, members must be present to cast a vote.

Section 7. Agenda

Not later than fifteen (15) days prior to any regular meeting, the President shall prepare an agenda for that meeting in writing. Copy of the agenda shall be presented to each member of the IBABD, the IBA, and the Company. The President may solicit such suggestions as she/he deems advisable from board members, Brokers or the Company to prepare the agenda.

Section 8. Attendance of Company

Meetings which include Company representation shall require a vote by the majority.

Article VI

Expenses

Section 1. Budget

The IBABD shall prepare a budget of its anticipated expenses for the next year for presentation at the Annual Convention. The budget shall include, but not be limited to, the following;

- Travel expenses of officers to attend Board Meetings.
- Cost of meals, lodging and rooms for attendance.
- Postage and telephone.
- Clerical services for preparation of minutes, agendas, notices and voting.

Section 2. Dues

Each member of the IBA shall pay annual dues of \$143.00 cash and \$200 ITEX. The Treasurer shall cause a per cycle deduction of \$11.00 cash per member, per cycle and shall note this deduction on the Brokers Reconciliation Report. The Treasurer shall cause a twice year deduction of \$100.00 ITEX on January 1st and July 1st and shall note this deduction on the Brokers Operating Account.

All dues shall be prorated for new Brokers appointed during a calendar year to reflect actual number of cycles as a Broker.

Section 3. Compensation

Members of the IBA or the IBABD are not entitled to compensation for service to the Association.

Article VII

Committees

Section 1. Members

At least one member of the IBABD shall sit on any committee established.

Section 2. Number

Committees may be established at the direction of the IBABD.

Section 3. Ethics Committee

The Ethics Committee shall be elected by the IBA and consist of five (5) members. In the absence of an elected committee, members of the IBABD shall act as the committee.

Article VIII

Amendments

Section 1. Contract Status

Neither these Bylaws nor any amendment hereto shall be considered a contract between the Company and the IBA, any member of the IBABD, or any Broker. The adoption of these Bylaws or an amendment thereto shall not create any liability on the part of any party.

Section 2. Procedure

These Bylaws may be amended, from time-to-time, by a quorum of the Association at a regular or special meeting. All proposed amendments to these Bylaws shall be presented in written form during a regular or special meeting, voted on for ratification during the next regular or special meeting and shall take effect at the beginning of the next regular or special meeting.”

Section 3. History of Amendments and/or Revisions of the IBA By-laws

Amendments to the Bylaws

Additions or deletions of Articles or Sections

First Amendment

Article V. Section 1.

Adopted 4/91, Kahneeta, Oregon

Second Amendment

Article V. Section 7.

Adopted 6/92, Oklahoma City, Oklahoma

Third Amendment

Article IV. Section 1 & 3., Article IV. Section 6 & S. and to include Appendix.

Adopted 5/93, Lincoln City, Oregon.

Fourth Amendment

Article I. Section 3 Definition, Part C. ILB. ITEX Licensed Broker

Article I. Section 3 Definition, Part D. IFB. ITEX Franchise Broker

Article I. Section 3 Definition, Part F. FAs

Article IV. Section 4 Treasurer

Article IV. Section 8 Election of Executive Board

Adopted 5/04, St. Pete Beach, Florida

Article VIII

Amendments

(continued)

Changes to the Bylaws

Revisions or updates of Articles or Sections

First Revision

Historical record incomplete

Second Revision

Historical record incomplete

Third Revision

Rewrite to include amendments, removal of excess language.

Approved by the IBA, November 14, 1993, Minneapolis, Minnesota.

Fourth Revision

Historical record incomplete

Fifth Revision

Added procedure clarification to Article VIII. Section 2.

Approved by the IBA, June 8, 1999, Manzanillo, Mexico

Sixth Revision

Changed Article IV. Section 8. Nomination and Section 9. Eligibility

Changed Article VI. Section 2. Dues

Approved by the IBA, June 6, 2000, Playa Del Carmen, Mexico

Seventh Revision

Changed Article I. Section 3. Definition

Changed Article II. All Sections EXCEPT Section 5. Advisory Capacity

Changed Article III. All Sections

Changed Article IV. All Sections EXCEPT Section 3. Vice President

Changed Article V. Sections 1, 2, 3, 4, and 7

Changed Article VI. All Sections

Changed Article VII. All Sections

Changed Article VIII. All Sections

All changes tightened language, corrected inconsistencies and updated previously agreed changes.

Approved by the IBA, May 26, 2004, St. Pete Beach, Florida

APPENDIX TO THE BYLAWS OF THE ITEX BROKERS ASSOCIATION

1. Code of Ethics

- a. Broker Relations Report April 20, 1992
 - b. Recommendation to Selling Broker
 - c. Allocation of High Demand Items
2. Apportionment Map
 3. History of Bylaw changes, including but not limited to: amendments, clarifications, and deletions