

MEMORANDUM OF UNDERSTANDING DRAFT

This Memorandum of Understanding (MOU) is entered into on 28th day of August 2004, between *Association of Turkish Americans of Southern California (ATASC)* and *Los Angeles County Turkish American Association (LATAA)*. ATASC is hereby designated as the "Parent" organization and LATAA as the "Chapter" (collectively, the "Parties").

The purpose of this MOU is to set forth the Parties' understanding regarding their formational, reporting and working relationship. ATASC, as the parent organization, shall extend all rights and privileges of its membership to LATAA and its members. LATAA, as the Chapter, shall operate within the rules set by the Parent organization. The two organizations shall work toward the goals as articulated in the Articles of Incorporation and the Constitution and Bylaws of ATASC. Both organizations shall follow the ATASC Policies and Procedures Manual.

To achieve their common goals, the Parties agree as follows:

1. The Board of Directors of ATASC shall include a representative from LATAA to serve at the Director level. The chapter representative will attend quarterly Board meetings.
2. When vacancies occur in the ATASC Board of Directors relative to the Chapter organization's representation, the replacement Director shall be appointed by the LATAA's Board of Directors. LATAA will be responsible for notifying the Chairperson of the ATASC Board of Directors regarding the name of the new representative within 15 days.
3. LATAA shall elect their own officers by the rules and procedures adopted by LATAA.
4. LATAA shall establish its own standard operational rules and procedures (e.g., meetings, membership qualifications, etc.) provided that such rules and procedures do not contradict the goals, rules and procedures promulgated by ATASC.
5. LATAA shall establish its own membership categories with corresponding membership dues.
6. LATAA shall have its own bank account. It shall collect the membership dues from its members. It shall keep its own books, have custody of the Chapter funds and securities and shall keep full and accurate accounts of all receipts and disbursements.
7. LATAA shall manage its financial affairs in a responsible fashion. It shall not be indebted an amount greater than the reserves in the accounts of its treasury without the written consent of the ATASC Board of Directors.
8. LATAA shall forward 20% of the membership fees to ATASC on a semiannual schedule as their share of the cost of operations of the parent organization. LATAA shall have full charge of the remaining membership fees and any other funds collected through various fundraising activities.
9. When the new chapter is approved by the ATASC Board of Directors, the Steering Committee will notify and inform all current Associate members within the boundaries of the new chapter that they will be allowed to maintain membership in both their current parent organization ATASC and in the new chapter LATAA at no extra charge until their next membership renewal date. At this time, the members may

choose the chapter with which they prefer to continue affiliation. Members can join as many chapter organizations within ATASC as they would like.

10. As part of the service received, LATAA is entitled to publish materials in the ATASC official magazine, NewsBridge, and post information on the website. LATAA shall abide by the ATASC rules governing the publication of the periodical and regulations regarding website posting policies.
11. LATAA Treasurer shall work together with the ATASC Chief Financial Officer (CFO) in keeping the books, having the records reviewed, and in preparing periodic statements as required by the parent organization. At the end of each quarter, LATAA Treasurer shall submit to the ATASC CFO the chapter's financial records, e.g., a summary of financial statement with back-up documentation and other records specified by the CFO for joint tax filing purposes.
 - 11.1. LATAA shall adopt best practices accounting procedures established by the ATASC CFO to ensure consistency for record keeping and tax filing.
 - 11.2. LATAA shall pay its share of its expenses regarding insurance, accounting, tax filing, and permitting fees as may be required by the ATASC CFO.
12. In the interest of uniting the chapters and to instill allegiance to the parent ATASC organization, LATAA will host a joint event with other chapters and ATASC on an annual basis to be initiated in 2005.
13. If the Chapter is dissolved for any reason, after all of its financial obligations are met (i.e., bills paid), the remaining funds will revert to the parent organization ATASC. ATASC shall in turn transfer the remaining funds to an established eligible charity organization in Turkey or in USA as specified by LATAA.
14. This MOU shall terminate upon the occurrence of any of the following, subject to the provisions of Article 13 above. The Parties shall have no continuing obligation to each other after the termination is deemed complete. Termination shall be deemed completed one week after the notice of such a decision is given to the other Party.
 - 14.1. A decision approved by the ATASC Board of Directors.
 - 14.2. A decision approved by the LATAA Board of Directors in accordance with their internal procedures.
15. This agreement constitutes the entire understanding and agreement between the Parties with respect to the subject matter herein and supersedes all prior agreements, oral or written. The MOU herein may be modified only in writing by both Parties. The validity, construction, scope, and performance of this agreement shall be governed by the laws of the State of California.

ATASC
Chairman of the
Board

Date

LATAA Founding Members
& Steering Committee

Date