

Bylaws of
Association for Specialty Coffee
A California Nonprofit Mutual Benefit Corporation

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DEFINED TERMS USED IN THIS DOCUMENT

- “SCAA” – Section 1.1
- “SCAE” – Section 1.1
- “Unification” – Section 1.1
- “Closing Date” – Section 1.1
- “Nominating Committee” – Section 7.4
- “annual meeting” – Section 7.7
- “Articles of Incorporation” – Section 7.2
- “Attorney General” – Section 7.6.5
- “Board” – Section 7.2
- “California Nonprofit Corporation Law” – Section 3.1
- “Code” –Section 4.2
- “Committees” – Section 8.1
- “Corporation” – Section 1.1
- “Directors” – Section 7.1.1
- “email” – Section 7.9.1
- “Officers” – Section 9.1

“President” – Section 9.5.1
“Secretary” – Section 9.5.3
“Super-Majority” – Section 7.11.4
“Treasurer” – Section 9.5.4
“Vice President” – Section 9.5.2

ARTICLE 1 NAME

Section 1.1 New Corporate Name; Unification; and Closing Date

The new name of this corporation is Association for Specialty Coffee (the “Corporation”), which has been chosen in recognition of the unification of the Speciality Coffee Association of Europe (“SCAE”) with this Corporation (the “Unification”). This Corporation is sometimes referred to in respect of its pre-unification state under its previous name of the Specialty Coffee Association of America (“SCAA”). The date on which the closing of the Unification takes place shall be memorialized in the Corporations records and be referred to in these Bylaws as the “Closing Date.”

ARTICLE 2 OFFICES

Section 2.1 Principal Office

The principal office for the transaction of the business of the Corporation will be its Global Operations Center, located in the United Kingdom, which may only be located elsewhere by resolution of the Board, subject to the super-majority provisions of Section 7.11.4, below.

Section 2.2 Other Offices

The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to transact business, subject to the super-majority provisions of Section 7.11.4, below.

ARTICLE 3 PURPOSES

Section 3.1 General Purpose

The Corporation is a nonprofit mutual benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Corporation Law of California (“California Nonprofit Corporation Law”) for the benefit of its members and the global specialty coffee community.

Section 3.2 Specific Purpose

The specific purpose of the Corporation shall include without limitation, to engage, inspire and expand a sustainable global specialty coffee community through shared values and core commitments. These core commitments will include, but not be limited to:

- a. Global/Local Reach
- b. Community Involvement
- c. Support Volunteers and Chapters
- d. Standards, Research and Education
- e. Value Chain Sustainability
- f. Growth in the Specialty Coffee Industry
- g. Personal Relevancy

ARTICLE 4 LIMITATIONS

Section 4.1 Political Activities

The Corporation has been formed under California Nonprofit Corporation Law for the purposes described in Article 3, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

Section 4.2 Prohibited Activities

The Corporation shall not, except in any insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in Article 3. The Corporation may not carry on any activity for the profit of its Officers, Directors or other persons or distribute any gains, profits or dividends to its Officers, Directors or other persons as such. Furthermore, nothing in Article 3 shall be construed as allowing the Corporation to engage in any activity not permitted to be carried on by a corporation exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, as amended (the “Code”).

ARTICLE 5 DEDICATION OF ASSETS

Section 5.1 Property Dedicated to Nonprofit Purposes

The property of the Corporation is irrevocably dedicated to the purposes described in Article 3. No part of the net income or assets of the Corporation shall ever inure to the benefit of any of its Directors or Officers, or to the benefit of any private person, except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 3 hereof.

Section 5.2 Distribution of Assets Upon Dissolution

Upon the dissolution or winding up of the Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed in accordance with applicable law.

ARTICLE 6 MEMBERSHIPS, AND MEMBER APPROVAL AND ANNUAL MEETING

Section 6.1 Voting Members

Voting membership shall be open to all business entities and individuals who are engaged in any specialty coffee activity, including but not limited to producers, exporters, importers, green brokers, roasters, roaster/retailers, coffee bean stores, cafes, coffee bars, kiosks, carts, restaurants, food service operations, office coffee service operators, baristas, trainers and those in the import, manufacture, or distribution of products and/or services closely allied with the specialty coffee industry. Each such member shall have one vote.

Section 6.2 Non-Voting Members

The Board may adopt policies and procedures from time to time for the admission of associate members, such as journalists or other designated members who shall have no voting rights in the Corporation. Such associate or other members are not “members” of the Corporation as defined in section 5056 of the California Nonprofit Corporation Law.

Section 6.3 Member Approval

The following matters shall require the approval of the members, by written ballots, distributed by regular mail, express courier or email, or by other electronic means approved by the Board and not in conflict with applicable law in compliance with the quorum and other applicable requirements of the California Corporations Code, which quorum shall in no event be less than 5% of the total

voting power of the members, and with reasonable opportunity for members to present arguments for and against such actions:

- any disposal of the whole or substantially the whole of the assets of the Corporation or the assets or shares of any subsidiary of the Corporation;
- amalgamating or merging with any other association or business entity;
- changing the voting rights of voting members;
- amending the definitions of any category of member;
- altering the Vision of the Corporation, which is “Together we will be an effective, dynamic, and authentic organization that gives voice and substance to the possibilities for specialty coffee worldwide;”
- amending the rules for the Nominating Committee after their initial adoption;
- amending the name of the Corporation ;
- amending members’ rights to vote directly for Directors;
- altering the function of the Board;
- amending these bylaws.

In all cases of member approval, approval shall require a majority of the votes cast, provided that the required quorum participates in the vote.

Section 6.4 Annual Meeting

An annual meeting of members for informational purposes will be held no later than three months after completion and delivery of the Corporation’s audited financial statements to the Corporation and in no event later than six months after the end of each fiscal year. The meeting may be conducted, in whole or in part, by electronic transmission, with a reasonable opportunity for members to participate in the meeting and to read or hear the proceedings of the meeting substantially concurrently with those proceedings. Elections of directors will be conducted in accordance with Article 7 and not at the annual meeting.

ARTICLE 7 DIRECTORS

Section 7.1 Number and Qualifications

7.1.1 Number

The authorized number of directors of the Corporation (“Directors”) shall be eighteen (18), including the President, Vice President, 2nd Vice President and Treasurer and two ex-officio voting Directors, the Chair of the Barista Guild and the Chair of the Roasters Guild. The initial Barista Guild ex-officio Director will have been a member of SCAE, and the initial Roasters Guild ex-officio Director will have been a member of SCAA. Thereafter, the ex-officio Directors from each guild shall be seated without reference to their previous affiliations.

7.1.2 Qualifications

Directors shall be chosen from voting members of the Corporation who are persons of good character with established reputations in the specialty coffee industry.

Section 7.2 Corporate Powers Exercised by Board

Subject to the provisions of the Articles of Incorporation of the Corporation (the “Articles of Incorporation”), California Nonprofit Corporation Law and any other applicable laws, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the board of Directors (the “Board”). The Board may from time to time delegate management of specific activities of the Corporation to designated committees, nominated by the Board, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. The Nominating Committee shall endeavor to maintain a reasonable geographical, gender and racial balance among the committee members it nominates.

Section 7.3 Terms and Composition of Board; Staggering

(a) The initial Board, including Officers, following the adoption of these Bylaws (“Initial Board”) will serve terms beginning on the Closing Date and ending as provided below.

(b) In order to have staggered terms in subsequent years, as part of their election process, non-Officer Directors in the Initial Board shall have terms ending either on December 31, 2018 or December 31, 2019, with half being elected to each term group as determined by the Board and Interim Nominating Committee, which was formed to implement the Unification.

(c) Directors (other than those who are officers) who are elected after the Initial Board will serve terms of two years and a maximum of two consecutive terms. Directors who are appointed by the Board to the office of 2nd Vice President shall continue to serve as Directors until the completion of their term as President. Directors who are appointed by the Board to the office of Treasurer shall continue to serve as Directors until the completion of their term as Treasurer.

Section 7.4 Nominating Committee; Election Procedures and Terms after Initial Board

(a) Elections of Directors by the voting members shall be held annually beginning in 2018, with slates proposed by a Nominating Committee comprising the President, Vice President, 2nd Vice President, Treasurer, two emeritus Directors and, serving without vote, the Executive Director and Deputy Executive Director. The Board shall appoint the two emeritus Directors to the Nominating Committee for terms of one year, beginning March 1 and ending on the last day of February of each year. The emeritus Directors on the Nominating Committee shall have served at least one complete term as Director before being appointed to the committee, provided that for those appointed between 2017 and 2021, one shall be a former director of SCAA and the other of SCAE. Thereafter, the emeritus Directors on the committee shall be appointed without reference to their previous affiliations.

(b) The Nominating Committee shall take recommendations from the Directors and other members and submit a slate of candidates for consideration by the full Board no later than July 31 each year for the following year’s election. Nominations shall be submitted to the Chair of the Nominating Committee in writing by the deadline specified by that committee. The Board will notify the membership of its proposed slate of nominees no later than September 1.

(c) The Nominating Committee shall operate under procedures adopted by the Board and shall endeavor to maintain a balance reasonably reflecting the geographical, gender and other diversity of the Corporation’s membership in its nominations. However, for the first five (5) years following the Closing Date, the Nominating Committee shall nominate Directors who are proportionately equal, or as close to proportionately equal as feasible, in number to those who were, before the Closing Date, members of SCAA or of SCAE. The Nominating Committee shall propose to the Board one person for each available position, and each such nomination shall be subject to Board approval.

(d) Additional nominees, who shall not be subject to Board approval, may be nominated by petition, excluding the offices of President, Vice President, 2nd Vice President and Treasurer, which shall be appointed by the Board. Each petition must be signed and transmitted to the Corporation by eligible voters (as defined in Section 7.4(e)) between January 1 and September 30 of the year of the election and constitute at least one-twentieth of one percent (1/20th of 1%) of eligible voters, but not less than one hundred (100). All petition nominees qualified under these Bylaws and receiving the required number of signatures will be added to the ballot. All candidates, whether on the Board’s slate or nominated by petition, will be given equal access to promote their candidacy through membership communications and by access to the membership list. In the event that any amendment to the California Nonprofit Corporation Law requires a lesser minimum

number of signatures for a petition, this paragraph shall be deemed amended to comply with such provision.

(e) The election shall be conducted by written ballots, distributed by regular mail, express courier or email, or by other electronic means approved by the Board and not in conflict with applicable law. Ballots shall be transmitted or otherwise made available, to all eligible voting members on November 1, with the balloting closing November 30, of each year. Ballots shall include the opportunity for write-in voting for each position. "Eligible voters" shall mean persons who were voting members of the Corporation on September 1 of the voting year.

(f) A professional firm of corporate election consultants chosen by the Board will conduct the election, including and nominating petitions, and tally the votes, with the results announced by the Board to the membership no later than December 10.

(g) Each Director, including Officers, shall hold office until the election and qualification of a successor, or until that Director's earlier resignation or removal in accordance with these Bylaws and the California Nonprofit Corporation Law.

(h) If after the close of the nominating period on September 30 the number of people nominated for the Board is not more than the number of directors to be elected, the Corporation may without further action declare that those nominated and qualified to be elected have been elected, in which case there shall be no election.

Section 7.5

Terms of Officers

The Officers in the Initial Board (President, Vice President, 2nd Vice President and Treasurer) shall serve in those offices until December 31, 2018. On January 1, 2019 and each January 1 thereafter, the Vice President shall succeed to President, and the 2nd Vice President shall succeed to Vice President. A new 2nd Vice President shall be appointed by the Board each year from among the Directors beginning 2018, with his or her term as Director continuing until the expiration of his or her term as President. The Treasurer shall be appointed by the Board from among the Directors beginning in 2018 for terms of two years and a maximum of two consecutive terms.

Section 7.6

Vacancies

7.6.1

Term after Filling Vacancies

Directors, including Officers, appointed by the Board to fill a vacancy shall hold office until the expiration of the term for which their predecessor was elected, which shall be three years in the case of the 2nd Vice President, two years in the case of the Vice President and two years in the case of the Treasurer.

7.6.2

Events Causing Vacancy

A vacancy or vacancies on the Board shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director; (ii) whenever the number of authorized Directors is increased; or (iii) the failure of the Board or members, at any meeting or during any election at which any Directors are to be elected, to elect the full authorized number of Directors.

7.6.3

Removal

The Board may by resolution declare vacant the office of a Director who has been declared of unsound mind by an order of court, or convicted of a felony, or found by final order or judgment of any court to have breached a duty under California Nonprofit Corporation Law.

The Board may by resolution declare vacant the office of a Director who fails to attend two consecutive Board meetings without an excuse approved by the President during any calendar year.

The Board may, by a majority vote of the Directors who meet all of the required qualifications to be a Director set forth in Section 7.1.2, declare vacant the office of any Director who fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office.

7.6.4 No Removal on Reduction of Number of Directors

No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires unless the reduction also provides for the removal of that specified Director in accordance with these Bylaws and California Nonprofit Corporation Law.

7.6.5 Resignations

Except as provided in this Section 7.6.5, any Director may resign by giving written notice to the President, the Secretary, or the Board. Such a written resignation will be effective on the later of (i) the date it is delivered or (ii) the time specified in the written notice that the resignation is to become effective. No Director may resign if the Corporation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the California Attorney General (the "Attorney General").

7.6.6 Election to Fill Vacancies

If there is a vacancy on the Board, including a vacancy created by the removal of a Director, the Board may fill such vacancy by electing an additional Director as soon as practicable after the vacancy occurs. If the number of Directors then in office is less than a quorum, additional Directors may be elected to fill such vacancies by (i) the unanimous written consent of the Directors then in office, (ii) the affirmative vote of a majority of the Directors in office at a meeting held according to notice or waivers complying with section 5211 of the California Nonprofit Corporation Law, or (iii) a sole remaining Director. Directors appointed to fill any vacancy on the Board prior to the fourth anniversary of the Closing shall reflect the geographical balance of the Initial Board.

Section 7.7 Regular Meetings

Each year, the Board shall hold at least one meeting, at a time and place fixed by the Board, for the purposes of election of Directors, appointment of Officers, review and approval of the corporate budget and transaction of other business. This meeting is sometimes referred to in these Bylaws as the "annual meeting." Other regular meetings of the Board may be held at such time and place as the Board may fix from time to time by resolution.

Section 7.8 Special Meetings

Special meetings of the Board for any purpose may be called at any time by the President, Vice President, 2nd Vice President or the Secretary, or any two Directors.

Section 7.9 Notice of Meetings

7.9.1 Manner of Giving

Except when the time and place of a regular meeting is set by the Board by resolution in advance, notice of the time and place of all regular and special meetings shall be given to each Director by one of the following methods:

- (a) Personal delivery of written notice;
- (b) By telephone with live confirmation of receipt;
- (c) Delivery by a recognized express courier, such as Federal Express, with fees prepaid for no later than two (2) business day delivery; or
- (d) Email or other means of electronic transmission, if the recipient has acknowledged receipt.

All such notices shall be given or sent to the Director's physical or email address as shown on the records of the Corporation. Notice of regular meetings may also be given in the form of a calendar or schedule that sets forth the date, time and place of more than one regular meeting.

7.9.2 Time Requirements

Notices of meetings shall be delivered at least fifteen (15) days in advance of personal meetings held in one location and forty-eight (48) hours in advance of meetings held by electronic or telephonic communications. Notices sent by express courier shall be deemed delivered two (2) business days after deposit with the courier and shall be so deposited at least four (4) business days before the time set for the meeting. Notices given by personal delivery, telephone, email or other electronic transmission shall be delivered at least 48 hours before the time set for the meeting.

7.9.3 Notice Contents

The notice shall state the time and place for the meeting, including any conference calling information. The notice need not specify the purpose of the meeting unless required to elsewhere in these Bylaws.

Section 7.10 Place of Board Meetings

Regular and special meetings of the Board may be held at any place in the world that is reasonably accessible by air transport or entirely by conference call as has been designated in the notice of the meeting, or, if not stated in the notice or, if there is no notice, designated by resolution of the Board or in a previously issued calendar or schedule.

7.10.1 Meetings by Telephone or Similar Communication Equipment

Any meeting may be held by conference telephone, internet conference or other communications equipment permitted by the California Nonprofit Corporation Law, as long as all Directors participating in the meeting can communicate with one another and all other requirements of California Nonprofit Corporation Law are satisfied. All such Directors shall be deemed to be present in person at such meeting.

Section 7.11 Quorum and Action of the Board

7.11.1 Quorum

A majority of Directors then in office (but no fewer than five (5) Directors), shall constitute a quorum for the transaction of business, except to adjourn.

7.11.2 Minimum Vote Requirements for Valid Board Action

Every act taken or decision made by a vote of the majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless a greater number is expressly required by California Nonprofit Corporation Law, the Articles of Incorporation or these Bylaws. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors from the meeting, if any action taken is approved by at least a majority of the required quorum for that meeting.

7.11.3 When a Majority of All Directors Is Required for Valid Board Action

The following actions shall require a vote by a majority of all Directors then in office in order to be effective, regardless of the number attending the meeting:

- (a) Approval of contracts or transactions in which a Director has a direct or indirect material financial interest (provided that the vote of any interested Director(s) is not counted);
- (b) Creation of, and appointment to, Committees (but not advisory committees);
- (c) Removal of a Director without cause as described in Section 7.6.3; and

- (d) Indemnification of Directors.

7.11.4 When a Super Majority is Required for Valid Board Action

The following matters will require 87.5% approval of all Directors then in office in order to be effective, regardless of the number attending the meeting:

- (a) Changing the nation in which the Corporation's Global Operations Center is located, initially to be in the United Kingdom;
- (b) Changing the national locations of the Corporation's operational centers.
- (c) Appointing the initial executive team;
 - a. Executive Director – appointed by SCAA
 - b. Deputy Executive Director – appointed by SCAE
 - c. Global Education Center Director – appointed by SCAE
 - d. Global Events Center Director – appointed by SCAA
 - e. Global Advocacy Director – appointed as agreed by SCAA and SCAE
 - f. Global Research Center Director – appointed by SCAA
 - g. Global Sustainability Centre Director - appointed by SCAA
 - h. CFO – appointed as agreed by SCAA and SCAE
 - i. Human Resources Director—appointed by SCAE
 - j. Membership & Communications Director—appointed by SCAE
- (d) The ED and DED will be co-located at the Global Operations Center.
- (e) Altering the length of the appointment terms of the first Executive Director and Deputy Executive Director. The first appointed ED will be employed for a fixed term of three (3) years, with a possibility for renewal for another two (2) years at the discretion of the simple majority of the Board. The first appointed DED will succeed the ED not on a fixed term basis.
- (f) Amending the Bylaws to alter the definition of “voting member.”

Section 7.12 Waiver of Notice

The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) a quorum is present, and (ii) either before or after the meeting, each of the Directors who is not present at the meeting signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent does not need to specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Also, notice of a meeting is not required to be given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice. Directors can protest the lack of notice only by presenting a written protest to the Secretary either in person, by first-class mail addressed to the Secretary at the principal office of the Corporation as contained on the records of the Corporation as of the date of the protest, or by facsimile addressed to the facsimile number of the Corporation as contained on the records of the Corporation as of the date of the protest.

Section 7.13 Adjournment

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 7.14 Notice of Adjournment

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 7.15 Conduct of Meetings

Meetings of the Board shall be presided over by the President, or, in the President's absence, the Vice President, or, if both are absent, by the 2nd Vice President or, in the absence of each of these

persons, by a chairperson of the meeting, chosen by a majority of the Directors present at the meeting. The Secretary shall act as secretary of all meetings of the Board, provided that, if the Secretary is absent, the presiding officer shall appoint another person to act as secretary of the meeting. Meetings shall be governed by rules of procedure as may be determined by the Board from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles, or with any provisions of law applicable to the Corporation.

Section 7.16 Action Without Meeting

Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to the action. For the purposes of this Section 7.16 only, “all members of the Board” shall not include any “interested Director” as defined in section 7233 of the California Nonprofit Corporation Law. Such written consent shall have the same force and effect as a unanimous vote of the Board taken at a meeting. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Written consent may be transmitted by first-class mail, messenger, courier, email or any other reasonable method satisfactory to the President.

Section 7.17 Fees and Compensation of Directors

The Corporation shall not pay any compensation to Directors for services rendered to the Corporation as Directors, except that Directors may be reimbursed for expenses incurred in the performance of their duties to the Corporation, in reasonable amounts as approved by the Board.

Also, Directors may not be compensated for rendering services to the Corporation in a capacity other than as Directors, unless such compensation is reasonable and further provided that not more than 49% of the persons serving as Directors may be “interested persons” which, for purposes of this Section 7.17 only, means:

- (a) any person currently being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full or part-time Officer or other employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or
- (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Section 7.18 Non-Liability of Directors

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

ARTICLE 8 COMMITTEES

Section 8.1 Committees of Directors

The Board may, by resolution adopted by a majority of the Directors then in office, create one or more Board Committees (“Committees”), including an executive committee, each consisting of two or more Directors, to serve at the discretion of the Board. Any Committee, to the extent provided in the resolution of the Board, may be given the authority of the Board except that no Committee may:

- (a) approve any action for which the California Nonprofit Corporation Law also requires approval of the members or approval of a majority of all members;
- (b) fill vacancies on the Board or in any Committee which has the authority of the Board;
- (c) fix compensation of the Directors for serving on the Board or on any Committee;

- (d) amend or repeal Bylaws or adopt new Bylaws;
- (e) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (f) appoint any other Committees or the members of these Committees;
- (g) expend corporate funds to support a nominee for Director after more persons have been nominated than can be elected; or
- (h) approve any transaction (i) between the Corporation and one or more of its Directors or (ii) between the Corporation and any entity in which one or more of its Directors have a material financial interest.

Section 8.2 Meetings and Action of Board Committees

Meetings and action of Committees shall be governed by, and held and taken in accordance with, the provisions of Article 7 concerning meetings of Directors, with such changes in the context of Article 7 as are necessary to substitute the Committee and its members for the Board and its members, except that the time for regular meetings of Committees may be determined by resolution of the Board, and special meetings of Committees may also be called by resolution of the Board. Minutes shall be kept of each meeting of any Committee and shall be filed with the corporate records. The Committee shall report to the Board from time to time as the Board may require. The Board may adopt rules for the governance of any Committee not inconsistent with the provisions by these Bylaws. In the absence of rules adopted by the Board, the Committee may adopt such rules.

Section 8.3 Quorum Rules for Board Committees

A majority of the Committee members shall constitute a quorum for the transaction of Committee business, except to adjourn. A majority of the Committee members present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Every act taken or decision made by a majority of the Committee members present at a meeting duly held at which a quorum is present shall be regarded as an act of the Committee, subject to the provisions of the California Nonprofit Corporation Law relating to actions that require a majority vote of the entire Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Committee members, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 8.4 Revocation of Delegated Authority

The Board may, at any time, revoke or modify any or all of the authority that the Board has delegated to a Committee, increase or decrease (but not below two) the number of members of a Committee, and fill vacancies in a Committee from the members of the Board.

Section 8.5 Audit Committee

The Board shall (i) prepare annual financial statements using generally accepted accounting principles that are audited by an independent certified public accountant (“CPA”) in conformity with generally accepted auditing standards; and (ii) appoint an Audit Committee.

The Audit Committee shall not include paid or unpaid staff or employees of the Corporation, including, if staff members or employees, the President, ED, DED or the Treasurer or chief financial officer (if any). Subject to the supervision of the Board, the Audit Committee shall:

- (a) make recommendations to the Board on the hiring and firing of the CPA;
- (b) confer with the CPA to satisfy Audit Committee members that the financial affairs of the Corporation are in order;

- (c) approve non-audit services by the CPA; and
- (d) if requested by the Board, negotiate the CPA's compensation on behalf of the Board.

Section 8.6 Advisory Committees

The Board may create one or more advisory committees to serve at the pleasure of the Board. Appointments to such advisory committees need not, but may, be Directors. The Board shall appoint and discharge advisory committee members. All actions and recommendations of an advisory committee shall require ratification by the Board before being given effect.

ARTICLE 9 OFFICERS

Section 9.1 Officers

The officers of the Corporation who are also Directors ("Officer/Directors") are the President, Vice President, 2nd Vice President and Treasurer. Only these officers shall also be Directors and shall be elected as provided in Section 7.4 above, except that the Vice President automatically succeeds to President, and the 2nd Vice President automatically succeeds to Vice President at the end of their respective terms. Each Officer/Director may only hold one office at a time. The Officer/Directors shall each continue to serve as Directors until their terms in their respective offices have expired as provided in Section 7.5, above, regardless of the terms as Directors for which they were elected by the membership.

The Board shall have the power to designate additional Officers, who shall not be Directors, with such duties, powers, titles and privileges as the Board may fix, including Secretary and Chief Financial Officer.

Section 9.2 Removal of Officers

Any Officer may be removed, subject to his or her rights under his or her employment agreement or under applicable law, with or without cause, by a vote of 75% of the Board, at any regular or special meeting of the Board, provided that, if elected by the membership as Directors, they shall continue to serve their terms as Directors, unless removed as a Director for cause, as provided above.

Section 9.3 Resignation of Elected Officers

Any elected Officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any of the Corporation under any contract to which the Officer is a party.

Section 9.4 Vacancies in Offices

A vacancy in any office, whether elected or not, because of death, resignation, removal, disqualification, or any other cause shall be filled for the remainder of that officer's term by action of the Board.

Section 9.5 Responsibilities of Officers

9.5.1 President

The president of the Corporation (the "President") shall preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him or her by the Board or prescribed by these Bylaws. If no other person is designated as the ED, the President shall, in addition, be the ED and shall have the powers and duties prescribed in Section 9.6.

9.5.2 Vice President

The vice president of the Corporation (the “Vice President”) shall, in the absence or disability of the President, perform all the duties of the President and, when so acting, have all the powers of and be subject to all the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as may be prescribed by the Board.

9.5.3 Secretary

The secretary of the Corporation (the “Secretary”) shall attend to the following:

9.5.3.1 Bylaws

The Secretary shall certify and keep or cause to be kept at the principal office of the Corporation the original or a copy of these Bylaws as amended to date.

9.5.3.2 Minute Book

The Secretary shall keep or cause to be kept a minute book as described in Section 12.1.

9.5.3.3 Notices

The Secretary shall give, or cause to be given, notice of all meetings of the Board in accordance with these Bylaws.

9.5.3.4 Corporate Records

Upon request, the Secretary shall exhibit or cause to be exhibited at all reasonable times to any Director, or to his or her agent or attorney, these Bylaws and the minute book.

9.5.3.5 Corporate Seal and Other Duties

The Secretary shall keep or cause to be kept the seal of the Corporation, if any, in safe custody, and shall have such other powers and perform such other duties incident to the office of Secretary as may be prescribed by the Board or these Bylaws.

9.5.4 Treasurer

The treasurer of the Corporation (the “Treasurer”) shall attend to the following:

9.5.4.1 Books of Account

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

9.5.4.2 Financial Reports

The Treasurer shall prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

9.5.4.3 Deposit and Disbursement of Money and Valuables

The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board; shall disburse, or cause to be disbursed, the funds of the Corporation as may be ordered by the Board; shall render, or cause to be rendered to the President and Directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Corporation; and shall have other powers

and perform such other duties incident to the office of Treasurer as may be prescribed by the Board or these Bylaws.

9.5.4.4 Bond

If required by the Board, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from office.

9.5.5 Additional Officers

The Board may empower the President to appoint or remove such other Officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board from time to time may determine.

Section 9.6 Executive Director

Subject to such supervisory powers as may be given by the Board to the President, the Board shall hire an executive director who shall be the general manager of the Corporation, and subject to the control of the Board, shall supervise, direct and control the Corporation's day-to-day activities, business and affairs. The executive director (who may be referred to as the "chief executive officer" or "executive director") shall be empowered to hire, supervise and fire all of the employees of the Corporation, under such terms and having such job responsibilities as the chief executive shall determine in his or her sole discretion, subject to the rights, if any, of the employee under any contract of employment. The executive director may delegate his or her responsibilities and powers subject to the control of the Board. He or she shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 9.7 Deputy Executive Director

Subject to such supervisory powers as may be given by the Board to the President, and executive director, the Board shall hire a deputy executive director who shall be given such powers and responsibilities as the executive director and the Board shall determine to assist in the management of the Corporation's day-to-day activities, business and affairs.

Section 9.8 Chief Financial Officer

Subject to such supervisory powers as may be given by the Board to the Treasurer and the recommendations of the ED and DED, the Board shall hire a chief financial officer who shall be the financial manager of the Corporation, and subject to the control of the Board, shall supervise, direct and control the Corporation's financial and accounting functions. He or she shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 9.9 Compensation of Officers

9.9.1 Salaries Fixed by Board

The salaries of the executive director, deputy executive director and chief financial officers shall be fixed from time to time by resolution of the Board. Although it is not preferred that a salaried Officers will also serve as Directors, if such an appointment is made, that Director shall not be permitted to vote on his or her own compensation as an Officer.

9.9.2 Fairness of Compensation

The Board shall periodically review the fairness of compensation, including benefits, paid to every person, regardless of title, with powers, duties, or responsibilities comparable to the chief executive officer or chief financial officer (i) once such person is hired, (ii) upon any extension or renewal of such person's term of employment, and (iii) when such person's compensation is modified (unless all employees are subject to the same general modification of compensation).

ARTICLE 10 TRANSACTIONS BETWEEN CORPORATION AND DIRECTORS OR OFFICERS

Section 10.1 Transactions with Directors and Officers

10.1.1 Interested Party Transactions

Except as described in Section 10.1.2, the Corporation shall not be a party to any transaction:

- (a) in which one or more of its Directors or Officers has a material financial interest, or
- (b) with any corporation, firm, association, or other entity in which one or more Directors or Officers has a material financial interest.

10.1.2 Requirements to Authorize Interested Party Transactions

The Corporation shall not be a party to any transaction described in 10.1.1 unless:

- (a) the Corporation enters into the transaction for its own benefit;
- (b) the transaction is fair and reasonable to the Corporation at the time the transaction is entered into;
- (c) prior to consummating the transaction or any part thereof, the Board authorizes or approves the transaction in good faith, by a vote of a majority of Directors then in office (without counting the vote of the interested Directors), and with knowledge of the material facts concerning the transaction and the interested Director's or Officer's financial interest in the transaction;
- (d) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and
- (e) the minutes of the Board meeting at which such action was taken reflect that the Board considered and made the findings described in paragraphs (a) through (d) of this Section 10.1.2.

Section 10.2 Loans to Directors and Officers

The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or Officer, except that, the Corporation may advance money to a Director or Officer for expenses reasonably anticipated to be incurred in the performance of duties of such Director or Officer, if in the absence of such advance, such Director or Officer would be entitled to be reimbursed for such expenses by the Corporation.

The limitation above does not apply if (i) the loan is necessary, in the judgment of the Board, to provide financing for the purchase of the principal residence of an Officer in order to secure the services of (or continued services of) the Officer and the loan is secured by such residence; or (ii) the loan is for the payment of premiums on a life insurance policy on the life of a Director or Officer and repayment to the Corporation of the amount paid by it is secured by the proceeds of the policy and its cash surrender value.

Section 10.3 Interlocking Directorates

No contract or other transaction between the Corporation and any corporation, firm or association of which one or more Directors are directors is either void or voidable because such Director(s) are present at the Board or Committee meeting that authorizes, approves or ratifies the contract or transaction, if (i) the material facts as to the transaction and as to such Director's other directorship are fully disclosed or known to the Board or Committee, and the Board or Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting

the vote of the common Director(s) (subject to the quorum provisions of Article 7); or if (ii) the contract or transaction is just and reasonable as to the Corporation at the time it is authorized, approved or ratified.

Section 10.4 Duty of Loyalty; Construction with Article 11
Nothing in this Section 10.4 shall be construed to derogate in any way from the absolute duty of loyalty that every Director and Officer owes to the Corporation. Furthermore, nothing in this Section 10.4 shall be construed to override or amend the provisions of Article 11. All conflicts between the two articles shall be resolved in favor of Article 11.

ARTICLE 11 INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 11.1 Definitions
For purpose of this Article 11,

11.1.1 “Agent”
means any person who is or was a Director, Officer, employee, or other agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Director, Officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of the Corporation or of another enterprise at the request of the predecessor corporation;

11.1.2 “Proceeding”
means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and

11.1.3 “Expenses”
includes, without limitation, all attorneys’ fees, costs, and any other expenses reasonably incurred in the defense of any claims or proceedings against an Agent by reason of his or her position or relationship as Agent and all attorneys’ fees, costs, and other expenses reasonably incurred in establishing a right to indemnification under this Article 11.

Section 11.2 Applicability of Indemnification Provisions

11.2.1 Successful Defense by Agent
To the extent that an Agent has been successful on the merits in the defense of any proceeding referred to in this Article 11, or in the defense of any claim, issue, or matter therein, the Agent shall be indemnified against expenses actually and reasonably incurred by the Agent in connection with the claim.

11.2.2 Settlement or Unsuccessful Defense by Agent
If an Agent either settles any proceeding referred to in this Article 11, or any claim, issue, or matter therein, or sustains a judgment rendered against him, then the provisions of Section 11.3 through Section 11.6 shall determine whether the Agent is entitled to indemnification.

Section 11.3 Actions Brought by Persons Other than the Corporation
This Section 11.3 applies to any proceeding other than an action “by or on behalf of the corporation” as defined in Section 11.4. Such proceedings that are not brought by or on behalf of the Corporation are referred to in this Section 11.3 as “Third Party proceedings.”

11.3.1 Scope of Indemnification in Third Party Proceedings
Subject to the required findings to be made pursuant to Section 11.3.2, the Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any Third Party proceeding, by reason of the fact that such person is or was an Agent, for all expenses,

judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

11.3.2 Required Standard of Conduct for Indemnification in Third Party Proceedings

Any indemnification granted to an Agent above in this Article 11 is conditioned on the following. The Board must determine, in the manner provided in Section 11.5, that the Agent seeking reimbursement acted in good faith, in a manner he or she reasonably believed to be in the best interest of the Corporation, and, in the case of a criminal proceeding, he or she must have had no reasonable cause to believe that his or her conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner he or she reasonably believed to be in the best interest of the Corporation or that he or she had reasonable cause to believe that his or her conduct was unlawful.

Section 11.4 Action Brought By or On Behalf Of the Corporation

This Section 11.4 applies to any proceeding brought (i) by or in the right of the Corporation, or (ii) by an Officer, Director on the ground that the defendant Director was or is engaging in self-dealing within the meaning of section 7233 of the California Nonprofit Corporation Law (any such proceeding is referred to in these Bylaws as a proceeding “by or on behalf of the Corporation”).

11.4.1 Scope of Indemnification in Proceeding By or On Behalf Of the Corporation

Subject to the required findings to be made pursuant to Section 11.4.2, and except as provided in Sections 11.4.3 and 11.4.4, the Corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding by or on behalf of the Corporation, by reason of the fact that such person is or was an Agent, for all expenses actually and reasonably incurred in connection with the defense or settlement of such action.

11.4.2 Required Standard of Conduct for Indemnification in Proceeding By or On Behalf Of the Corporation

Any indemnification granted to an Agent in this Article 11 is conditioned on the following. The Board must determine, in the manner provided in Section 11.5, that the Agent seeking reimbursement acted in good faith, in a manner he or she believed to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

11.4.3 Claims Settled Out of Court

If any Agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of the Corporation, with or without court approval, the Agent shall receive no indemnification for amounts paid pursuant to the terms of the settlement or other disposition. Also, in cases settled or otherwise disposed of without court approval, the Agent shall receive no indemnification for expenses reasonably incurred in defending against the proceeding, unless the proceeding is settled with the approval of the Attorney General.

11.4.4 Claims and Suits Awarded Against Agent

If any Agent is adjudged to be liable to the Corporation in the performance of the Agent’s duty to the Corporation, the Agent shall receive no indemnification for amounts paid pursuant to the judgment, and any indemnification of such Agent under this Article 11 for expenses actually and reasonably incurred in connection with the defense of that action shall be made only if both of the following conditions are met:

- (a) The determination of good faith conduct required by Section 11.4.2 must be made in the manner provided for in Section 11.5; and
- (b) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the Agent is fairly and reasonably entitled to indemnity

for the expenses incurred. If the Agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

Section 11.5 Determination of Agent's Good Faith Conduct

The indemnification granted to an Agent in Section 11.3 and Section 11.4 is conditioned on the findings required by those Sections being made by:

- (a) the Board by a majority vote of a quorum consisting of Directors who are not parties to the proceeding; or
- (b) the court in which the proceeding is or was pending. Such determination may be made on application brought by the Corporation or the Agent or the attorney or other person rendering a defense to the Agent, whether or not the application by the Agent, attorney, or other person is opposed by the Corporation.

Section 11.6 Limitations

No indemnification or advance shall be made under this Article 11, except as provided in Section 11.2.1 or Section 11.5(b), in any circumstances when it appears:

- (a) that the indemnification or advance would be inconsistent with a provision of the Articles of Incorporation, as amended, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
- (b) that the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement; or
- (c) that the indemnification would be prohibited by applicable law.

Section 11.7 Advance of Expenses

Expenses incurred in defending any proceeding shall be advanced by the Corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the Agent to repay the amount of the advance, unless it is determined ultimately that the Agent is entitled to be indemnified as authorized in this Article 11.

Section 11.8 Contractual Rights of Non-Directors and Non-Officers

Nothing contained in this Article 11 shall affect any right to indemnification to which persons other than Directors of the Corporation, or any of its subsidiaries, may be entitled by contract or otherwise.

Section 11.9 Insurance

The Board shall from time to time adopt resolutions authorizing and requiring the purchase and maintenance of insurance on behalf of any Agent, as defined in this Article 11, against any liability asserted against or incurred by any Agent in such capacity or arising out of the Agent's status as such, whether or not the Corporation would have the power to indemnify the Agent against the liability under the provisions of this Article 11.

ARTICLE 12 CORPORATE RECORDS, REPORTS AND SEAL

Section 12.1 Minute Book

The Corporation shall keep a minute book in written form which may be electronic and which shall contain a record of all actions by the Board or any committee including (i) the time, date and place of each meeting; (ii) whether a meeting is regular or special and, if special, how called; (iii) the manner of giving notice of each meeting and a copy thereof; (iv) the names of those present at each meeting of the Board or any Committee thereof; (v) the minutes of all meetings; (vi) any

written waivers of notice, consents to the holding of a meeting or approvals of the minutes thereof; (vii) all written consents for action without a meeting; (viii) all protests concerning lack of notice; and (ix) formal dissents from Board actions.

Section 12.2 Books and Records of Account

The Corporation shall keep adequate and correct books and records of account. "Correct books and records" includes, but is not necessarily limited to: accounts of properties and transactions, its assets, liabilities, receipts, disbursements, gains, and losses.

Section 12.3 Articles of Incorporation and Bylaws

The Corporation shall keep at its principal office or such other office as the Board shall determine, the original or a copy of the Articles of Incorporation and Bylaws as amended to date.

Section 12.4 Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns

The Corporation shall at all times keep at its principal office a copy of its federal tax exemption application and, for three years from their date of filing, its annual information returns. These documents shall be open to inspection and copying to the extent required by the Code.

Section 12.5 Annual Report; Statement of Certain Transactions

The Board shall cause an annual report to be sent to each Director within 120 days after the close of the Corporation's fiscal year containing the following information:

- (a) The assets and liabilities of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for this fiscal year;
- (d) The expenses or disbursements of the Corporation for both general and restricted purposes during the fiscal year;
- (e) A statement of any transaction (i) to which the Corporation, its parent, or its subsidiary was a party, (ii) which involved more than \$50,000 or which was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (iii) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a financial interest):
 - (1) Any Director or Officer of the Corporation, its parent, or its subsidiary;
 - (2) Any holder of more than 10% of the voting power of the Corporation, its parent, or its subsidiary.

The statement shall include: (i) a brief description of the transaction; (ii) the names of interested persons involved; (iii) their relationship to the Corporation; (iv) the nature of their interest in the transaction, and; (v) when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

- (f) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any Officer or Director under Article 10 or Article 11.

Section 12.6 Directors' Rights of Inspection
Every Director shall have the absolute right at any reasonable time to inspect the books, records, documents of every kind, and physical properties of the Corporation and each of its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 12.7 Corporate Seal
The corporate seal, if any, shall be in such form as may be approved from time to time by the Board. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

ARTICLE 13 EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 13.1 Execution of Instruments
The Board, except as otherwise provided in these Bylaws, may by resolution authorize any Officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no Officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 13.2 Checks and Notes
Except as otherwise specifically determined by resolution of the Board, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by the Treasurer and countersigned by the President.

Section 13.3 Deposits
All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.

Section 13.4 Gifts
The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the purposes of the Corporation.

ARTICLE 14 CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions of California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Corporation and a natural person. All references to statutes, regulations and laws shall include any future statutes, regulations and laws that replace those referenced.

ARTICLE 15 AMENDMENTS

Section 15.1 Amendment by Directors
The Board may adopt, amend or repeal bylaws. Such power is subject to the following limitations:

- (a) Where any provision of these Bylaws requires the vote of a larger proportion of the Directors than otherwise is required by law, such provision may not be altered, amended or repealed except by the vote of such greater number.

- (b) No amendment may extend the term of a Director beyond that for which such Director was elected.
- (c) If bylaws are adopted, amended or repealed at a meeting of the Board, such action is authorized only at a duly called and held meeting for which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefor, is given in accordance with these Bylaws, unless such notice is waived in accordance with these Bylaws.
- (d) Approval by the members.

ARTICLE 16 FORUM FOR ADJUDICATION OF DISPUTES

Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's members, (iii) any action asserting a claim arising pursuant to any provision of the California Corporations Code or the Articles of Incorporation or bylaws (as either may be amended from time to time), or (iv) any action asserting a claim relating to the governance of the Corporation or its internal affairs shall heard in a federal district court or state court located in Orange County, California. Each member shall be deemed to have consented to the personal jurisdiction of the state and federal courts located within Orange County in connection with any action brought in any such court to enforce the preceding sentence.