

**BYLAWS**  
**of**  
**SOCCER DEALERS ASSOCIATION, INC.**  
**A California Mutual Benefit Corporation**

**ARTICLE I**  
**OFFICES**

**1.1 Principal Office**

The initial principal office of the Corporation for its transaction of business is located at 5 Wayne Court, Sacramento, California 95829.

**1.2 Change of Address**

The Board of Directors is granted full power and authority to change the principal office of the Corporation from one location to another within the State of California. Any change of address will be noted by the Secretary in these Bylaws, but will not be considered an amendment of these Bylaws.

**1.3 Mailing Address**

The Board of Directors may from time to time designate one or more mailing addresses for the Corporation within or outside the State of California for such purpose as the Board of Directors may consider appropriate. The Board of Directors may change or terminate any mailing address or alter its purpose at any time.

**ARTICLE II**  
**MEMBERS**

**2.1 Eligibility for Membership**

**2.1.1 General Eligibility**

Except as otherwise provided in these Bylaws, any “person,” as defined *Corporations Code Section 5065*, is eligible to become a member of the Corporation upon meeting the qualifications for membership in a class described in Section 2.2 of these Bylaws, including without limitation an individual, association, corporation, estate, joint stock company, joint venture, partnership, or government agency.

**2.1.2 Eligibility Restrictions**

The following eligibility restrictions will apply notwithstanding anything in these Bylaws to the contrary:

- (1) An individual will not be eligible for membership unless over the age of 18 years.

(2) No subsidiary of the Corporation may be admitted to membership of the Corporation.

(3) A “person,” as defined in *Corporations Code Section 5065*, may not hold more than one membership in each class.

(4) No fractional memberships will be issued.

## **2.2 Classification and Qualification of Members**

### **2.2.1 Member Classes**

The Corporation will have two classes of members: Dealer Members and Associate Members. Notwithstanding anything in these Bylaws to the contrary, only Dealer Members will be considered “members” within the meaning of *Corporations Code Section 5056*. References by the Corporation to Associate Members as “members” in these Bylaws or elsewhere is for convenience only and shall not make any Associate Member a “member” under *Corporations Code Section 5056*. Unless otherwise indicated expressly or by context, the term “member” or “members” as used in these Bylaws refers to both Dealer Members and Associate Members.

### **2.2.2 Dealer Members**

A Dealer Member of the Corporation is a “person,” as defined in *Corporations Code Section 5065*, who meets the following qualifications:

(1) The member has continuously owned and operated a retail business, either independently or as a franchisee, for at least one year;

(2) The member’s retail business derives at least seventy percent of its revenues from sales of soccer products; and

(3) The member’s retail business derives at least fifty percent of its revenues from operation of a physical store offering face-to-face consumer experiences (commonly known in e-commerce terminology as a “brick and mortar” business), as opposed to an online shop.

Each qualifying “person” may acquire one Dealer Membership.

### **2.2.3 Associate Members**

An Associate Member of the Corporation is a “person,” as defined in *Corporations Code Section 5065*, who does not qualify as a Dealer Member but who, in the opinion of the Board of Directors, serves the soccer-dealer community in a significant way, including without limitation a manufacturer of soccer products, a wholesaler of soccer products, or a retailer of soccer-related products. Each such qualifying “person” may acquire one Associate Membership.

#### **2.2.4 Additional Qualifications**

The Board of Directors may specify additional qualifications for membership in each class from time to time, provided that no new qualifications will result in termination of an existing membership solely for failure to meet the new qualifications.

#### **2.3 Admission to Membership**

Any person, as defined in *Corporations Code Section 5065*, who is eligible and qualified for membership under Sections 2.1 and 2.2 of these Bylaws will be admitted to membership only after submitting an application in the form and manner prescribed by the Board of Directors and on the payment of the application fee, if any, as specified in Section 2.4 of these Bylaws and the first year's annual dues, as specified in Section 2.5 of these Bylaws. Each application shall be subject to the approval of the Board of Directors or a Membership Committee duly authorized pursuant to Section 4.14 of these Bylaws to admit members. The Board of Directors may from time to time, by resolution duly adopted, authorize the officers of the Corporation to approve or reject membership applications subject to such restrictions and limitations as the Board may deem necessary or advisable.

#### **2.4 Application Fee**

An application fee may be determined from time to time by resolution of the Board of Directors, which shall be charged for, and payable with, the application for membership, in addition to the annual dues payment described in Section 2.5. This application fee is solely for considering and processing the application and is nonrefundable whether or not the applicant is approved for membership in any class.

#### **2.5 Annual Dues**

The initial annual dues payable to the Corporation will be (1) \$595 for each Dealer Member and (2) \$995 for each Associate Member. The amount of the annual dues for each class may be changed by resolution of the Board of Directors at any time. Dues are payable for the first year on admission to membership and annually thereafter at the time or times as may be fixed by the Board of Directors. Depending on the month in which a particular member is admitted to membership, the member's initial annual dues payment may cover a period less than one year. A member, on learning of the amount of dues determined by the Board of Directors and the time or times of payment fixed by the Board of Directors, may avoid liability for the dues by promptly resigning from membership, unless the member is liable for the dues by contract or otherwise.

#### **2.6 Assessments**

Memberships are subject to assessment to cover unanticipated operating expenses and cash flow shortages. The amount of each levy and the method of collection will be fixed from time to time by resolution of the Board of Directors of the Corporation. Assessments will be made payable at the times or intervals, and on notice, as prescribed by the Board. Any member, on learning of an

assessment, may avoid liability for it by promptly resigning from membership, provided that the member is not otherwise liable for the assessment by contract or otherwise.

## **2.7 Number of Members**

There is no limit on the number of Dealer Members or Associate Members that the Corporation may admit.

## **2.8 Membership Records**

The Corporation shall keep a membership book containing the name, address, and class of each member in written form or in any form capable of being converted into written form. The book must also note if a membership has terminated and the date on which that membership ceased. The book will be kept at the principal office of the Corporation and is subject to the rights of inspection required by law and as set forth in Section 7.4 of these Bylaws.

## **2.9 Membership Rights**

### **2.9.1 Dealer Membership Rights**

Dealer Members shall have the right to vote, as set forth in these Bylaws, on the election of directors, on the disposition of all or substantially all of the Corporation's assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the Corporation. In addition, Dealer Members shall have all rights afforded "members" under the California Nonprofit Mutual Benefit Corporation Law. If the Corporation is dissolved, Dealer Members shall receive a pro rata distribution of all assets, exclusive of any assets that may be held in charitable trust, remaining after payment or provision for payment of the Corporation's obligations and debts and provision for any other payment required under applicable law. Dealer Members shall have no other interest in the assets of the Corporation, proprietary or otherwise.

### **2.9.2 Associate Member Rights**

Associate Members shall have no voting rights and shall have no rights afforded members under the California Nonprofit Mutual Benefit Corporation Law except those rights specifically granted to them under these Bylaws or by resolution of the Board of Directors. Associate Members shall have no interest in the assets of the Corporation, proprietary or otherwise.

## **2.10 No Membership Certificates**

The Corporation will not issue membership certificates. However, the Corporation reserves the right to issue identity cards or similar devices to members to serve to identify members for any reason related to the Corporation's purposes.

## **2.11 Non-Liability of Members**

A member of the Corporation is not personally liable, solely because of membership, for the debts, obligations, or liabilities of the Corporation.

## **2.12 Non-Transferability of Membership**

No member shall have the right to transfer a membership or any right arising therefrom. Notwithstanding the foregoing, the Board of Directors may from time to time approve, by resolution duly adopted, the transfer of a membership by a member who has merely changed the form of business without any ownership change, such as by incorporation of a sole proprietorship or partnership. All approvals of transfers in these situations will be made fairly and equitably, and in no event will any transfer of membership result in profit to the transferor.

## **2.13 Termination of Membership**

### **2.13.1 Causes for Termination**

The membership and all rights of membership automatically terminate on the occurrence of any of the following causes:

- (1) The voluntary resignation of a member, with notice as prescribed by Section 2.13.2 of these Bylaws;
- (2) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board of Directors;
- (3) The death of an individual member;
- (4) The dissolution of a corporate, partnership, or other entity member;
- (5) The nonpayment of dues, fees, or assessments, as set by the Board of Directors, for more than thirty days after they become due and payable;
- (6) Any event or condition that renders the member ineligible for membership;
- (7) The member's failure to satisfy membership qualifications; or
- (8) Subject to the limitations set forth in Section 2.13.3 of these Bylaws, upon a good faith determination by the Board of Directors, or by a committee or person authorized by the Board to make such a determination, that the member has engaged in conduct materially and seriously prejudicial to the Corporation's purposes and interests.

### **2.13.2 Resignation by Giving Notice**

The membership of any member of the Corporation shall automatically terminate on such member's written request for such termination delivered to the President or Secretary of the Corporation personally or deposited in United States first class mail, postage prepaid.

### **2.13.3 Notice and Hearing Opportunity Before Termination for Misconduct**

If grounds appear to exist for terminating a member under Section 2.13.1(8) of these Bylaws, the Board of Directors shall give the member at least fifteen days' prior notice of the proposed termination and the reasons for the proposed termination. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the last address of the member as shown on the records of the Corporation. The member shall be given an opportunity to be heard, either orally or in writing, not less than five days before the effective date of the termination. The hearing shall be conducted, or the member's written statement considered, at the Corporation's principal office by a committee composed of the President, Secretary, and Treasurer of the Corporation or such other three persons as may be designated by the Board of Directors for this purpose. The hearing will be presided over by the President of the Corporation or another person designated by the Board. The committee conducting the hearing shall conduct the hearing in good faith and in a fair and reasonable manner. The committee has the exclusive power and authority to either affirm the proposed termination or decide that the proposed termination will not take place.

### **2.13.4 Effect of Termination**

Any and all rights of a member in the Corporation cease on the termination of membership. However, termination does not relieve the member from any obligation for unpaid dues, assessments, or fees, or arising from contract or otherwise. The Corporation retains the right to enforce any obligation or obtain damages for its breach.

## **ARTICLE III MEETINGS OF MEMBERS**

### **3.1 Place**

Meetings of members may be held at any location within or outside the State of California that may be designated from time to time by resolution of the Board of Directors.

### **3.2 Regular Meetings**

Unless otherwise determined by resolution of the Board of Directors, the members will meet annually immediately following the conclusion of The Soccer Event® in each year, beginning with the year 2011, for the purpose of transacting such proper business as may come before the meeting, including the election of directors by Dealer Members for the terms fixed in Section 4.3 of these Bylaws. If the election of directors does not occur at any meeting of the members or without a meeting by written ballot pursuant to Section 3.11 of these Bylaws, the Board will (or five percent of the Dealer Members may) cause the election of directors to be held at a special meeting of Dealer Members called and held as soon as reasonably possible after the adjournment of the regular meeting of the members.

### **3.3 Special Meetings**

Special meetings of either or both classes of members may be called by the Board of Directors or the President of the Corporation and held at the times and places as may be ordered by resolution of the Board of Directors. Five percent or more of the Dealer Members of the Corporation may call special meetings for any lawful purpose.

### **3.4 Notice of Meetings**

#### **3.4.1 Written Notice Requirement**

Written notice of every meeting of members must be either personally delivered or mailed by first class, registered, or certified United States mail, with postage prepaid, not less than ten or more than ninety days before the date of the meeting to each Dealer Member who is entitled to vote at the meeting as of the record date for notice of the meeting.

#### **3.4.2 Member Address for Notices**

If notice is given by mail or other means of written communication, the notice must be addressed to the member at the address appearing on the books of the Corporation or at the address given by the member to the Corporation for the purpose of notice. If no address appears or was given by the member, notice will be given at the principal office of the Corporation or by publication in any newspaper of general circulation in the county in which the principal office of the Corporation is located. The Secretary of the Corporation, or any transfer agent specially designated by the Secretary for this purpose, will execute an affidavit of the giving of the notice of the meeting of members. In the case of a specially called meeting of members, notice that a special meeting will be held at a time requested by the person or persons calling the meeting not less than thirty-five days or more than ninety days after receipt of the written request from that person or persons by the President or Secretary of the Corporation will be sent to the members forthwith and in any event within twenty days after the request was received.

#### **3.4.3 Notice After Adjournment**

No meeting of members may be adjourned more than forty-five days. If a meeting is adjourned to another time or place, and thereafter a new record date is fixed for notice or voting, a notice of the adjourned meeting will be given to each member of record who, on the record date for notice of the meeting, is entitled to vote at the meeting.

### **3.5 Contents of Notice**

#### **3.5.1 General Content Requirements**

The notice will state the place, date, and time of the meeting. In the case of regular meetings, the notice will state those matters that the Board of Directors, at the time the notice is given, intends to present for action by the Dealer Members.

#### **3.5.2 Nominees for Director Elections**

The notice of any meeting at which directors are to be elected must include the names of all nominees at the time the notice is given to the members.

### **3.5.3 Special Agenda Items**

Approval by the members of any of the following proposals, other than by unanimous approval of those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals: (1) removing a director without cause, (2) filling one or more vacancies on the Board of Directors, (3) amending the Articles of Incorporation, (4) electing to wind up and dissolve the Corporation, (5) approving a contract or transaction between the Corporation and one or more directors, or between the Corporation and any entity in which a director has a material financial interest, or (6) approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class as specified in the Articles or Bylaws, when the Corporation is in the process of winding up.

### **3.6 Waivers, Consents, and Approvals**

The transactions of any meeting of members, however called and noticed, and wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote but not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. All waivers, consents, and approvals will be filed in the corporate minute book with the minutes of the meeting.

### **3.7 Quorum**

A quorum at any meeting of members consists of one-third of the voting power, represented in person or by proxy. For purposes of this Bylaw, "voting power" means the power to vote for the election of directors at the time any determination of voting power is made and does not include the right to vote on the happening of some condition or event which has not yet occurred.

### **3.8 Loss of Quorum**

The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken, other than adjournment, is approved by at least a majority of members required to constitute a quorum.

### **3.9 Adjournment for Lack of Quorum**

In the absence of a quorum, any meeting of members may be adjourned from time to time by the vote of a majority of the votes represented either in person or by proxy. However, no other business may be transacted except as provided in Section 3.8 of these Bylaws.

### **3.10 Voting of Membership**

### **3.10.1 Entitlement to Vote**

Each Dealer Member is entitled to one vote on each matter submitted to a vote of the members. Associate Members are not entitled to vote on any matter submitted to a vote of the members, unless otherwise specified by a duly adopted resolution of the Board of Directors.

### **3.10.2 Record Date of Membership**

The Board of Directors shall fix, in advance, a date as the record date for the purposes of determining the members entitled to notice of and to vote at any meeting of members. The record date for the purpose of determining the members entitled to notice of any meeting of members may be no greater than ninety days and no less than ten days before the date of the meeting of members. The record date for the purpose of determining the members entitled to vote at any meeting of members may be no greater than sixty days before the date of the meeting of members. The Board will also fix, in advance, the record date for the purpose of determining the members entitled to exercise any rights in respect to any other lawful action. This date may not be more than sixty days before that other action.

### **3.10.3 No Cumulative Voting**

Cumulative voting is not permitted for the election of directors or for any other purpose.

### **3.10.4 Proxy Voting**

Members entitled to vote, as set forth in Section 3.10.1 of these Bylaws, have the right to vote either in person or by a written proxy executed by that member or his or her duly authorized agent and filed with the Secretary of the Corporation, except as otherwise expressly provided in the Articles of Incorporation or these Bylaws. However, a proxy is not valid after the expiration of eleven months from the date of its issuance unless otherwise stated in the proxy. The maximum term of any proxy is three years from the date of its execution. Every unexpired proxy continues in full force and effect until revoked by the person executing it.

## **3.11 Action Without Meeting by Written Ballot**

### **3.11.1 Ballot Requirements**

Any action that may be taken at any regular or special meeting of members may be taken without a meeting, provided that the following ballot requirements are satisfied:

- (1) The Corporation distributes a written ballot to every member entitled to vote on the matter;
- (2) The ballot states the proposed action, provides an opportunity to specify approval or disapproval of any proposal, and provides a reasonable time within which to return the ballot to the Corporation;

(3) The number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action; and

(4) The number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

### **3.11.2 Solicitation of Ballots**

Ballots will be solicited in a manner consistent with the requirements of giving notice of members' meetings set forth in Section 3.4 of these Bylaws and of voting by written ballot set forth in Section 3.11.3 of these Bylaws. All solicitations must indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of directors, state the percentage of approvals necessary to pass the measure submitted. The solicitation must specify the time by which the ballot must be received in order to be counted.

### **3.11.3 Voting by Written Ballot**

If the Corporation has one hundred or more Dealer Members, the form of written ballots distributed to ten or more members must afford an opportunity on the form of written ballot to specify a choice between approval and disapproval of each matter or group of related matters intended, at the time the written ballot is distributed, to be acted on by that written ballot. The form must also provide, subject to reasonable specified conditions, that if the person solicited specifies a choice with respect to any matter, the vote must be cast in accordance with that choice. In any election of directors, any form of written ballot in which the directors to be voted on are named as candidates and that is marked by a member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld may not be voted either for or against the election of a director.

### **3.11.4 Irrevocability of Written Ballot**

A written ballot may not be revoked.

## **3.12 Conduct of Meetings**

### **3.12.1 Chairperson**

The President of the Corporation or, in his or her absence, any other person chosen by a majority of the voting members present in person or by proxy, will be Chair of and preside over the meetings of the members.

### **3.12.2 Secretary of Meetings**

The Secretary of the Corporation will act as the secretary of all meetings of members. However, in his or her absence, the Chair of the meetings of members will appoint another person to act as secretary of the meetings.

### 3.12.3 Rules of Order

The Robert's Rules of Order, as amended from time to time, governs the meetings of members insofar as those rules are not inconsistent with or in conflict with these Bylaws, the Articles of Incorporation of this Corporation, or the rules governing agenda, motions, and related matters.

## 3.13 Inspectors of Election

### 3.13.1 Appointment

Before any meeting of the members or any action by written ballot, the Board of Directors may appoint any persons other than candidates for office as inspectors of election to act at the meeting. If inspectors of election are not so appointed for any meeting, or if any person so appointed fails to appear or refuses to act, the Chair of the meeting may, and on request of any Dealer Member or Dealer Member's proxy must, appoint inspectors of election at the meeting. The number of inspectors will be either one or three. If appointed at a meeting on the request of one or more Dealer Members or proxies, the majority of Dealer Members represented in person or by proxy must determine whether one or three inspectors are to be appointed.

### 3.13.2 Duties

The inspectors of election must perform the following duties:

- (1) Determine the number of outstanding voting memberships, the voting power of each, and, when applicable, the number represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies.
- (2) Receive votes, ballots, or consents.
- (3) Hear and determine all challenges and questions in any way arising in connection with the right to vote.
- (4) Count and tabulate all votes and consents.
- (5) Determine when the polls shall close.
- (6) Determine the result.
- (7) Do any other acts that may be proper to conduct the election or vote with fairness to all members.

The inspectors must perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical.

### 3.13.3 Vote of Inspectors

If there are three inspectors of election, the decision, act, or certificate of a majority is effective in all respects as the decision, act, or certificate of all.

#### **3.13.4 Report and Certificate**

On request of the Chair or any Dealer Member or Dealer Member's proxy, the inspectors of election must make a written report concerning the performance of their duties and execute a certificate of any fact found by them. Any report or certificate made by the inspectors is prima facie evidence of the facts stated.

### **ARTICLE IV DIRECTORS**

#### **4.1 Number**

The corporation will have five directors. Collectively, the directors will be known as the Board of Directors.

#### **4.2 Qualifications**

The directors of the Corporation must be citizens of the United States.

#### **4.3 Terms of Office**

Each initial director will hold office for a term of two years from the date of the director's election, unless a shorter term is established by a duly adopted resolution of the Board of Directors to cause the initial directors' terms to end on the date of the first annual members' meeting. Thereafter, three directors will be elected to hold office for a one-year term, and the remaining two directors will be elected to hold office for a two-year term. Notwithstanding expiration of a director's term, the director will continue to hold office until the director's successor is elected and qualifies under Section 4.2 of these Bylaws. If a director is removed at a special meeting of the members called and held as prescribed by Section 3.3 of these Bylaws, that director will hold office until his or her removal and his or her successor is elected and qualifies.

#### **4.4 Nomination**

Any person qualified to be a director under Section 4.2 of these Bylaws may be nominated by the method of nomination authorized by the Board or by any other method authorized by law. A nomination for the Board may not be made after the date set for close of nomination.

#### **4.5 Election**

The directors will be elected at each annual meeting of the members, as prescribed by Section 3.2 of these Bylaws, or by written ballot as authorized by Section 3.11 of these Bylaws. The candidates receiving the highest number of votes up to the number of directors to be elected shall be deemed elected. Directors are eligible for reelection, provided they continue to meet the

qualifications required by Section 4.2 of these Bylaws, without limitation on the number of terms they may serve.

#### **4.6 Compensation**

The Directors shall serve without compensation, except that they shall be allowed and paid their actual and necessary expenses incurred in attending the meetings of the Board.

#### **4.7 Meetings**

##### **4.7.1 Call of Meetings**

Meetings of the Board may be called by the President, the Secretary, or any two directors.

##### **4.7.2 Place of Meetings**

Unless otherwise provided by a duly adopted resolution of the Board of Directors, all meetings of the Board will be held at the principal office of the Corporation as specified in Section 1.1 of these Bylaws or as changed from time to time as provided in Section 1.2 of these Bylaws.

##### **4.7.3 Regular Meetings**

Regular meetings of the Board will be held, without call or notice, immediately following each annual meeting of the members of the Corporation as set forth in Section 3.2 of these Bylaws. Additional regular meetings may be held as provided by resolution of the Board of Directors.

##### **4.7.4 Special Meetings**

Special meetings of the Board may be held on four days' notice by first-class mail, postage prepaid, or on forty-eight hours' notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means.

##### **4.7.5 Waiver of Notice**

Notice of special meetings need not be given to any director who signs a waiver of notice of the meeting, a written consent to holding the meeting, or an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting the lack of notice to that director either before or at the commencement of the meeting. All waivers, consents, and approvals shall be filed in the Corporation's minute book with the minutes of the applicable meetings.

##### **4.7.6 Quorum**

A majority of the authorized number of directors constitutes a quorum of the Board for the transaction of business, except as otherwise provided in these Bylaws.

#### **4.7.7 Transactions of Board**

Except as otherwise provided in the Articles of Incorporation, in these Bylaws, or by law, every act or decision by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board. At any meeting at which a quorum was initially present, the directors may continue to transact business notwithstanding the withdrawal of one or more directors if any action taken is approved by at least a majority of the required quorum for that meeting, or such greater number as may be required by law, the Articles, or these Bylaws.

#### **4.7.8 Conduct of Meetings**

Any Director selected by the directors present may preside at meetings of the Board of Directors. The Secretary of the Corporation or, in the Secretary's absence, any person appointed by the presiding officer will act as Secretary of the Board. Directors may participate in a meeting through use of conference telephone or similar communications equipment, as long as all members participating in the meeting can hear one another. This participation constitutes personal presence at the meeting.

#### **4.7.9 Adjournment**

A majority of the directors present at the meeting, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four hours, notice of the adjournment to another time or place must be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

#### **4.8 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 that action. Written consents must be filed in the Corporation's minute book with the minutes of the proceedings of the Board. Action by written consent has the same force and effect as the unanimous vote of the Directors.

#### **4.9 Removal of Directors for Cause**

The Board may declare vacant the office of a director on the occurrence of any of the following events:

- (1) The director has been declared of unsound mind by a final order of court.
- (2) The director has been convicted of a felony.

#### **4.10 Resignation of Director**

Any director may resign effective on written notice to the President, the Secretary, or the Board of Directors of the Corporation. The notice may specify a later time for the effectiveness of

the resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

#### **4.11 Vacancies in the Board**

##### **4.11.1 Causes for Vacancy**

Vacancies on the Board of Directors occur (1) on the death, resignation, or removal of any director; (2) whenever the number of authorized directors is increased; and (3) on the failure of the members in any election to elect the full number of authorized directors.

##### **4.11.2 Vacancies Filled by Directors**

Except as otherwise provided in the Articles or these Bylaws and except for a vacancy created by the removal of a director pursuant to Section 4.9 of these Bylaws, vacancies on the Board of Directors may be filled by approval of the Board of Directors or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice as provided in Section 4.7.5 of these Bylaws, or (3) a sole remaining director.

##### **4.11.3 Vacancies Filled by Members**

The Dealer Members may elect a director at any time to fill any vacancy not filled by the directors.

#### **4.12 Contracts With Directors**

No director of this Corporation, or any other corporation, firm, association, or other entity in which one or more of this Corporation's directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this Corporation unless (1) the material facts as to the transaction and such director's interest are fully disclosed or known to the Dealer Members and such contract or transaction is approved by the Dealer Members in good faith, with any membership owned by any interested director not being entitled to vote thereon, or (2) the material facts regarding such director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes or are known to all Board members before consideration by the Board of such contract or transaction, and such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote of the interested director.

#### **4.13 Non-Liability of Directors**

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

#### **4.14 Committees**

#### **4.14.1 Delegation of Board Authority to Committee**

The Board of Directors may, by a majority vote of directors, designate two or more of its members (who may also be serving as officers of this Corporation) to constitute a committee of the Board and may delegate to such committee any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except with respect to:

- (1) The approval of any action which, under law or the provisions of these Bylaws, requires the approval of the Dealer Members.
- (2) The filling of vacancies on the Board or on any committee that has the authority of the Board.
- (3) The fixing of compensation of the directors for serving on the Board or on any committee.
- (4) The amendment or repeal of Bylaws or the adoption of new Bylaws.
- (5) The amendment or repeal or any resolution of the Board which by its express terms is not so amendable or repealable.
- (6) The appointment of committees of the Board or the members thereof.
- (7) The expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected.
- (8) The approval of any transaction involving an interested director, as described in Section 4.12 of these Bylaws.

By a majority vote of the directors then in office, the Board may at any time revoke or modify any or all of the authority so delegated to the committee, increase or decrease but not below two the number of the committee's members, and fill vacancies on the committee from the Board of Directors. The Board of Directors may form as many committees for such purposes as the Board deems necessary and advisable pursuant to this section of the Bylaws.

#### **4.14.2 Meetings and Action of Committees**

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of committees may also be fixed by the Board of Directors. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of

these Bylaws.

#### **4.14.3 Records of Committee Proceedings**

The committee shall keep regular minutes of its proceedings, shall cause them to be filed in the Corporation's minute book, and shall report its proceedings to the Board from time to time as the Board may require.

### **ARTICLE V OFFICERS**

#### **5.1 Number and Titles**

The officers of the Corporation shall be a President, a Secretary, and a Treasurer, and those other officers and assistant officers with such titles and duties as may be determined by the Board of Directors from time to time. Any number of offices may be held by the same person, except that the Secretary or Treasurer may not serve concurrently as the President.

#### **5.2 Appointment and Resignation**

The officers will be chosen by the Board and serve at the pleasure of the Board, subject to the rights, if any, of an office under any contract of employment. Any officer may resign at any time on written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

#### **5.3 Duties of President**

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the Corporation and the activities of the officers. The President shall preside at all meetings of the Board of Directors unless another person is specifically appointed to act as chairperson of the meeting. The President shall preside at all meetings of the members. Except as otherwise expressly provided by law, by the Articles of Incorporation, by these Bylaws, or by resolution of the Board of Directors, the President shall, in the name of the Corporation, execute such contracts or other instruments as may from time to time be authorized by the Board of Directors.

#### **5.4 Duties of Secretary**

The Secretary shall:

(1) Certify and keep at the principal office of the Corporation the original or a copy of these Bylaws as amended or otherwise altered to date;

(2) Keep at the principal office of the Corporation, or at such other place as the Board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether

regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof;

(3) See that all notices are duly given in accordance with the provisions of these bylaws or as required by law;

(4) Be custodian of the records and, if applicable, the seal of the Corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the Corporation under its seal is authorized by law or these bylaws;

(5) Keep at the principal office of the Corporation a membership book containing the name and address of each and any member, and, in the case where any membership has been terminated, the Secretary shall record such fact in the membership book together with the date on which such membership ceased;

(6) Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the Bylaws, the membership book, and the minutes of the proceedings of the directors of the Corporation; and

(7) In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the Corporation's Articles of Incorporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

#### **5.5 Duties of Treasurer**

Except as otherwise provided by resolution of the Board of Directors, the Treasurer shall:

(1) Have charge and custody of, and be responsible for, all funds of the Corporation, and shall deposit all such funds in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors;

(2) Receive, and give receipt for, monies due and payable to the Corporation from any source whatsoever;

(3) Disburse, or cause to be disbursed, the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements;

(4) Keep and maintain adequate and correct accounts of the Corporation's property and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses;

(5) Exhibit at all reasonable times the books of account and financial records to any director of the Corporation, or to his or her agent or attorney, on request therefor;

(6) Render to the President and directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the Corporation;

(7) Prepare, or cause to be prepared, and certify, or cause to be certified, the financial

statements to be included in any required reports; and

(8) In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the Corporation's Articles of Incorporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

## **5.6 Compensation**

The salaries of the officers, if any, shall be fixed from time to time by resolution of the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the Corporation. In all cases, any salaries received by officers of this Corporation shall be reasonable and given in return for services actually rendered for the Corporation which relate to the performance of the purposes of this Corporation.

## **ARTICLE VI INDEMNIFICATION; INSURANCE**

### **6.1 Indemnification of Directors and Officers**

#### **6.1.1 Corporation's Obligation to Indemnify**

To the fullest extent permitted by law, this Corporation shall indemnify its directors and officers, and may indemnify employees and other persons described in *Corporations Code Section 7237(a)*, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in *Corporations Code Section 7237(a)*, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this section of the Bylaws, shall have the same meaning as in *Corporations Code Section 7237(a)*.

#### **6.1.2 Indemnification Procedures**

On written request to the Board by any person seeking indemnification under *Corporations Code Section 7237(b) or 7237(c)*, the Board shall promptly decide under *Corporations Code Section 7237(b) or 7237(c)* whether the applicable standard of conduct set forth in *Corporations Code Section 7237(b) or 7237(c)* has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the Board shall promptly call a meeting of members. At that meeting, the Dealer Members shall determine under *Corporations Code Section 7237(e)* whether the applicable standard of conduct has been met and, if so, the Dealer Members present at the meeting in person or by proxy shall authorize indemnification.

#### **6.1.3 Expense Advance**

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Sections 6.1.1 and

6.1.2 of these Bylaws in defending any proceeding covered by those sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Corporation for those expenses.

## **6.2 Insurance for Corporate Agents**

The Corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer's, director's, employee's, or agent's status as such.

## **ARTICLE VII CORPORATE RECORDS, REPORTS, AND SEAL**

### **7.1 Recordkeeping**

The Corporation must keep adequate and correct records of account and minutes of the proceedings of its members, Board, and committees of the Board. The Corporation must also keep a record of its members giving their names and addresses and the class of membership held by each, as described in Section 2.8 of these Bylaws. The minutes will be kept in written form. Other books and records will be kept in either written form or in any other form capable of being converted into written form.

### **7.2 Annual Report**

An annual report will be prepared not later than one hundred twenty days after the close of the Corporation's fiscal year. The annual report must contain in appropriate detail all the information required by *Corporations Code Section 8321(a)*, specifically:

(1) A balance sheet as of the end of the fiscal year and an income statement and statement of changes in financial position for the fiscal year;

(2) A statement of the place where the names and addresses of the current members are located; and

(3) Any information concerning certain transactions and indemnifications required by *Corporations Code Section 8322*.

The Corporation will notify each Dealer Member yearly of the member's right to receive a financial report pursuant to *Corporations Code Section 8321(a)*. Except when the Corporation does not have more than \$10,000 in assets at any time during the fiscal year, on the written request of a member, the board must promptly cause the most recent annual report to be sent to the requesting member.

### **7.3 Annual Statement of Certain Transactions and Indemnifications**

The Corporation must furnish annually to its Dealer Members a statement of any transaction or indemnification described in *Corporations Code Section 8322(d)* and *(e)*, if that transaction or indemnification took place. The annual statement must be affixed to and sent with the annual report described in Section 7.2 of these Bylaws or, if no annual report is issued, must be sent as a separate document within one hundred twenty days after the close of the Corporation's fiscal year.

## **7.4 Members' Inspection Rights**

### **7.4.1 Demand**

Subject to the Corporation's right to set aside an inspection demand pursuant to *Corporations Code Section 8331* and the authority of the court to limit inspection rights pursuant to *Corporations Code Section 8332*, and unless the Corporation provides a reasonable alternative as permitted by Section 7.4.2 of these Bylaws, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

(1) Inspect and copy the record of all the members' names, addresses, and voting rights, at reasonable times, on five business days" prior written demand on the Corporation, which must state the purpose for which the inspection rights are requested; or

(2) Obtain from the Secretary of the Corporation, on written demand and tender of a reasonable charge, a list of the names, addresses, and voting rights of those members entitled to vote for the election of directors, as of the most recent record date for which it has been compiled or as of the date of demand. The demand must state the purpose for which the list is requested. The membership list will be available on or before the later of ten business days after the demand is received, or after the date specified in the demand as the date as of which the list is to be compiled.

### **7.4.2 Alternative Method of Achieving Inspection Purpose**

The Corporation, within ten business days after receiving a demand pursuant to Section 7.4.1 of these Bylaws, may deliver to the person or persons making the demand a written offer of an alternative method of achieving the purpose identified in the demand without providing access to or a copy of the membership list. An alternative method that reasonably and in a timely manner accomplishes the proper purpose set forth in a demand made pursuant to Section 7.4.1 of these Bylaws will be deemed reasonable, unless within a reasonable time after acceptance of the offer, the Corporation fails to effect the alternative method. Any rejection of the offer must be in writing and indicate the reasons the alternative proposed by the Corporation does not meet the proper purpose of the demand made pursuant to Section 7.4.1 of these Bylaws.

## **7.5 Directors' Inspection Rights**

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect any physical assets of the Corporation.

## **7.6 Corporate Seal**

The Board of Directors may, but is not required to, adopt a corporate seal in a form and design that the Board considers appropriate. If a corporate seal is adopted, the Secretary of the Corporation will maintain custody of the seal and affix it in all appropriate cases to all corporate documents. However, failure to affix the seal does not affect the validity of any instrument.

**CERTIFICATE OF SECRETARY OF  
SOCCER DEALERS ASSOCIATION, INC.,  
a California Nonprofit Mutual Benefit Corporation**