

BYLAWS OF
THE CALIFORNIA CRAFT BREWERS ASSOCIATION
AMENDED DECEMBER 20TH, 2011

Article I
General Provisions

1.1 Name. This corporation shall be known as The California Craft Brewers Association (referred to as the “Association”).

1.2 Purpose. The purpose of the California Craft Brewers Association shall be to form a strong bond among the various Craft Brewers of the Brewing Industry, to exchange lawful trade information, to take such steps as may be necessary to preserve the Craft Brewers for the California Brewing Industry, and to so conduct our affairs as to reflect credit on the Brewing Industry and merit the continued confidence and support of the American public.

1.3 Organization. This Association is organized as a nonprofit corporation under Section 501(c) (6) of the Internal Revenue Code of 1986, as amended, and as a California nonprofit mutual benefit corporation to represent California Craft Brewers. The activities of the Association shall be conducted for the aforementioned purposes in such a manner that no part of its net earnings shall inure to the benefit of any member, director, officer or individual. Upon dissolution of the Association, and after payment of its just debts and obligations, all remaining assets shall be distributed to organizations enjoying exempt status under the provisions of Section 501(c) (6) of the Internal Revenue Code. If possible, such organizations should provide similar services to the California Craft Brewers industry.

1.4 Principal Office. The principal office of the Association for its transaction of business shall be set by the board of directors, which is hereby granted full power and authority to change the principal office of the Association from one location to another. Any such change shall be noted by the Secretary in these bylaws but shall not be considered as amendment of these bylaws.

1.5 Registered Office and Agent. The Corporation shall have and continuously maintain a registered office and a registered agent in the State of California, as required by the California Nonprofit Mutual Benefit Corporations Code. The registered agent shall be either an individual resident of the State or a corporation authorized to transact business in the State.

Article II
Membership

Any California Brewery, defined as a small brewery for federal tax purposes as any brewery producing 2 million barrels or less per year shall be eligible for Regular

membership upon approval by the Board of Directors; and under such terms and conditions as may be specified from time to time by the Board of Directors. Tradesmen dealing with the brewing industry and, consumers, retailers, distributors, craft brewers located outside of California and Brewers of good reputation located outside the United States, may be admitted as Associate members. Associate members may not serve on the Board of Directors or vote on Association matters. Regular members in good standing shall be entitled to one representative on the Board of Directors, shall be eligible to vote and shall have privilege to view business documents and financial reports of the Association. Likewise, the Board of Directors may call a meeting of the membership that specifically excludes nonvoting members.

The Board of Directors shall determine and set forth in separate documents the dues, terms, and other conditions of each class of member.

Liability of Members.

- a. No Member shall be liable for any obligation incurred by the Association except the payment of annual dues, if applicable.
- b. All rights of a Member in the Association's property shall cease upon the termination of such Member's Membership. Except as otherwise provided in Section 7351 of the Nonprofit Mutual Benefit Corporation Law, termination shall not relieve the Member from any obligation for charges incurred, services or benefits actually rendered, dues or fees levied, arising from contract or otherwise, before the date of termination. The Association shall retain the right to enforce any such obligation or to obtain damages for its breach.

Removal. Any Member may be removed from membership by a two-thirds (2/3) vote of the Board of Directors or Members for cause, which is defined as failure to pay dues for three (3) months; occurrence of any event that renders a Member ineligible for membership or causes the Member to fail to satisfy membership qualifications; and failure in a material and serious degree to observe the rules of conduct of the corporation or engagement in conduct materially or seriously prejudicial to the purpose and interest of the corporation, or other material cause.

Resignation. A Member may resign upon written notice to the Secretary of the Association. A resigning Member shall not be entitled to any return of any dues or any other paid contributions.

Article III Meetings of Members

3.1 Annual Meeting. There shall be an annual meeting of the Association. The time, date and place for the annual meeting shall be *determined* by the Board of Directors. The annual meeting may be conducted by electronic transmission, teleconference or electronic video screen communication as long as the reasonable opportunity to participate including an opportunity to read or hear the proceedings of the meeting are substantially concurrent with those proceedings.

3.2 Special Meetings. Special meetings of the Members may be called by the Chair or President of the Board, by at least two Officers or upon the request of five (5) percent of the voting Members and held at such place as is fixed pursuant to Section 3.1 of these bylaws. Members shall receive not less than ten (10) days prior written notice of special meetings. Notice shall be given in the manner specified in Section 3.3 of these Bylaws, and the notice shall state the purposes of the special meeting. The special meeting may be conducted by electronic transmission, teleconference or electronic video screen communication as long as the reasonable opportunity to participate including an opportunity to read or hear the proceedings of the meeting are substantially concurrent with those proceedings.

3.3 Notice. Whenever under the provisions of these Bylaws notice is required to be given to a member, such notice shall be given in writing by first-class mail or overnight delivery service with postage prepaid to such person at his or her address as it appears on the records of the Association. Such notice shall be deemed to have been given when deposited in the mail or the delivery service. Notice may also be given by facsimile, electronic mail, or hand delivery, and will be deemed given when received. Notice of every meeting of members shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting to each member who, on the record date for notice of the meeting is entitled to vote thereat.

Each notice shall state the place, date, and time of the meeting. In the case of an annual meeting, the notice shall state those matters which the Board of Directors, at the time the notice is given, intends to present for action by the members; provided, however, that any proper matter may be presented for action at such a meeting. The notice of any meeting at which directors are to be elected shall include the names of all of those who are nominees at the time the notice is given to the members. In the case of a special meeting, the notice shall state the general nature of the business to be transacted, and no other business may be transacted. If any of the following actions are proposed to be taken at any meeting of members, the notice shall also state the general nature of such proposal:

- A. Remove directors;
- B. Fill vacancies on the Board of Directors;
- C. Adopt amendments to the Articles of Incorporation of the Association;
or
- D. Voluntarily wind up and dissolve the Association.

3.4 Waivers, Consents, and Approvals. The transactions of any meeting of members, however called and noticed, and wherever held, shall be as valid as though transacted 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 such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

3.5 Voting. Each Regular Member shall be entitled to one (1) vote. Honorary members shall have no voting rights. Cumulative voting shall not be permitted.

The persons entitled to vote at any meeting of members shall be members of the Association as determined in accordance with the provisions of Section 3.8. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote, in voting on any member shall be the act of the members, unless the vote of a greater number is required by the California Nonprofit Corporation Law or by the Articles of Incorporation or these bylaws. Elections of directors need not be by ballot unless a member demands election by ballot at the meeting and before the voting begins.

3.6 Action Without Meeting By Written Ballot. Any action which may be taken at any annual or special meeting, including the election of directors, may be taken without a meeting if:

- A. The written ballot of every member is solicited;
- B. The number of ballots cast within the time period specified in the solicitation equals or exceeds the quorum otherwise required to be present at a meeting authorizing the actions; and
- C. The number of approvals of the action equals or exceeds the number of votes that would otherwise be required to approve the action at a meeting at which the total number of votes cast was the same as the number of ballots cast.

Ballots shall be solicited in a manner consistent with the requirements of Sections 3.3 and 3.4. All such solicitations shall state:

- D. The number of responses needed to meet the quorum requirements of Section 3.8;
- E. The percentage of approvals necessary to pass the proposed action; and
- F. The time by which the ballot must be received in order to be counted.

The form of written ballot shall afford an opportunity on the ballot to specify a choice between approval and disapproval of each matter. It shall also contain an appropriate space marked "abstain" where the member may indicate a desire to abstain from voting on the proposal.

Any member casting a ballot may revoke the ballot or substitute another ballot only in writing and received by the Association prior to the time specified in the solicitation by which a ballot must be received to be counted. Such revocation is effective upon receipt by the secretary of the Association.

3.7 Quorum. A quorum at any meeting of members shall consist of fifty percent (50%) of the voting power, represented in person or by proxy.

The members called 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 the action taken, other than adjournment, is approved by at least a majority of the members required to constitute a quorum.

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

3.8 Record Date. For purposes of determining the members entitled to vote at any meeting of members, entitled to notice of any meeting of members or entitled to cast written ballots or otherwise exercise any rights in respect of any other lawful action, the record for such determination shall be as set by the Board of Directors, but shall in no event be more than sixty (60) or less than ten (10) days before the date of the meeting.

3.9 Proxies. Members entitled to vote pursuant to these bylaws shall have the right to vote either in person or by a written proxy executed by such person or his or her duly authorized agent and filed with the secretary of the Association, except as otherwise expressly provided in these bylaws, provided, however, that a proxy shall not be valid after the expiration of eleven (*11*) months from the date of its execution. Every proxy shall continue in full force and effect until revoked by the person executing it prior to the vote pursuant thereto.

3.10 Conduct of Meetings. The president of the Association or, in his or her absence, the vice president, or any other officer chosen by a majority of the voting members present, shall be chairman of and shall preside over the meeting of the members. The secretary of the Association shall act as the secretary of all meetings of members; provided that in his or her absence, the chairman of the meeting of members shall appoint another person to act as secretary of the meeting.

3.11 Inspectors of Election. Before any meeting of members, the Board of Directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any member or a member's proxy shall appoint inspectors of election at the meeting. the number of inspectors shall be either one (1) or three (3). Inspectors shall perform the following duties:

- A. Determine the number of memberships outstanding and the voting power of each, the number represented at the meeting, the existence of a quorum, and the authenticity, validity and effect of proxies.
- B. Receive votes, ballots or consents.
- C. Hear and determine all challenges and questions in any way arising in connection with the right to vote.
- D. Count and tabulate all votes or consents.
- E. Determine when the polls shall close.
- F. Determine the result of the voting.
- G. Do any other act which may be proper to conduct the election or vote with fairness to all members.

Article IV Directors

4.1 Powers, Composition and Qualifications. The activities and affairs of the Association shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors may designate such person or persons as it deems fit to implement the day to day operation of the Association; provided, however, that ultimate responsibility for operations of the Association resides in the Board. The Association shall have not less than (three (3) nor more than fifteen (15) directors, including ex-officio directors. Collectively, the directors shall be known as the Board of Directors, or the Board. Each Regular Member in good standing of the Association shall be entitled to one (1) representative on the Board. If more than one (1) individual representative of any Regular Member participates in Association activities, each Regular Member is entitled to have only one Board member at any given time.

The following officers of the Association shall be ex-officio directors with power to vote: the president, the vice president, the secretary and the chief financial officer.

4.2 Terms of Office. Each director (except ex-officio directors and except as provided in Section 4.3) shall hold office for a term of three (3) years, and until the director's successor is elected and qualified under these bylaws. Ex-officio directors shall serve by reason of their capacity as officers of the Association. No director shall cease to be a director by reason of a decrease in the number of authorized directors. In the event a director is removed at a validly called special meeting of the members, the director shall hold office until his or her removal and his or her successor is elected and qualifies.

4.3 Staggered Terms. Directors' terms of office shall be established at the Association's first annual meeting of members so that all directors' terms do not expire in the same year. Approximately one-third (1/3) of the Directors elected at such first meeting shall be selected for a one (1) year term. Approximately one third (1/3) of the directors elected at such first meeting shall be elected for a two (2) year term. Approximately one-third (1/3) of the directors elected at such first meeting shall be elected for a three (3) year term. Thereafter, directors shall generally be elected for three (3) year terms unless elected to a vacancy or preserve the staggering of terms. In the event of a change in the number of directors, the staggering of terms may, but need not, be preserved.

4.4 Nominations. Any person qualified to be a director under Section 4.1 of these bylaws may be nominated by the method of nomination authorized by the Board of Directors or by any other method authorized by law.

4.5 Election. The directors shall be elected at the annual meeting corresponding with the end of their terms or by written ballot as authorized in these bylaws.

The candidates receiving the highest number of votes up to the number of directors to be elected are elected. Directors shall be eligible for re-election without limitation on the number of terms they may serve, provided they continue to meet the qualifications required by Section 4.1 of these bylaws.

4.6 Compensation. The directors shall serve without compensation.

4.7 Meetings. Meeting of the Board may be called by the president or any vice president or the secretary or any two (2) directors. All meetings shall be held at the principal office of the Association or such other place as shall be set forth in the notice of meeting.

4.8 Quorum. A majority of the directors currently in office constitutes a quorum of the Board for the transaction of business, except as hereinafter provided or provided by law.

4.9 Transactions of the Board. Except as otherwise provided in the articles of incorporation of the Association, in these bylaws, every act or decision done or made by a

majority of the directors present at a meeting duly held at which a quorum is present is the act of the board, provided, however, that any meeting at which a quorum was initially present may continue to transact the business notwithstanding the withdrawal of directors if any action taken is approved by at least a majority of the required quorum for such meeting.

4.10 Conduct at Meetings. The president of the Association shall be chairman of the Board and shall preside at Board meetings. In his or her absence, any director selected by the directors present shall preside at meetings of the Board of Directors. The secretary of the Association or, in the secretary's absence, any person appointed by the presiding officer shall act as secretary of the Board. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Such participation shall constitute personal presence at the meeting.

A majority of the directors present, 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 (24) hours, notice of the adjournment to another time or place must be given prior to the time of the adjourned meeting to the directors who are not present at the time of the adjournment.

4.11 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, or verbally, to such action. Such consents shall be filed with the minutes of the proceedings of the Board. Such action by written or verbal consent shall have the same force and effect as the unanimous vote of such directors.

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

- A. The director has been declared of unsound mind by a final order or a court of competent jurisdiction;
- B. The director is convicted of a felony;
- C. The director has failed to attend three (3) consecutive meetings of the Board.

Any or all of the directors may be removed without cause if, where the Association has fewer than fifty (50) members, such removal is approved by a majority of all members, or when the Association has a majority of a quorum of fifty (50) or more members, such removal is approved by the members.

4.13 Resignation. Any director may resign effective on giving written notice to the president, the secretary, or the Board of directors of the Association, unless the notice

specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

4.14 Vacancies. Vacancies on the Board of Directors shall exist on the death, resignation or the removal of any director; whenever the number of directors authorized is increased; or on the failure of the members in any election to elect the full number of directors authorized.

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 of these bylaws; or (3) a sole remaining director. Notwithstanding anything else in this Section 4.14, vacancies created by removal of directors shall be filled only by the approval of the members. The members may elect a director at any time to fill any vacancy not filled by the directors.

4.15 Committees. The Board may establish through resolution, an Executive Committee, and such other Committees with such powers from time to time, as the Board deems necessary or appropriate and states in such resolution(s). Such committees, if they consist of at least two directors, may be authorized by the Board by resolution to exercise authority on behalf of the Board, except for the removal or appointment of Board members, or where action is required by the members, or where prohibited by Corporations Code Section 7212 or other applicable law. However, no committee shall have the authority to create any other committees, approve any contract or transaction to which the Association is a party and in which one or more of its Directors have a material or financial interest; or expend corporate funds not budgeted to the committee. Each committee may adopt rules for its meetings not inconsistent with these Bylaws or with any rules adopted by the Board.

4.16 Conflicts of Interest. In the event that any Director has a conflict of interest that might properly limit such Director's fair and impartial participation in Board deliberations or decisions, such Director shall fully inform the Board as to the material facts as to the circumstances of such conflict and the Director's interest. If those circumstances require the nonparticipation of the affected Director, the Board may nonetheless request from the Director any appropriate nonconfidential information which might inform its decisions. "Conflict of interest," as referred to herein, shall include but shall not be limited to, any transaction by or with the Association in which a Director has a direct or indirect personal interest, or any transaction in which a Director is unable to exercise impartial judgment or otherwise act in the best interests of the Association.

No Director shall cast a vote, nor take part in the final deliberation in any matter in which he or she, members of his or her immediate family or any organization to which such Director has allegiance, has a personal interest that may be seen as competing with the

interest of the Association. Any Director who believes he or she may have such a conflict of interest shall so notify the Board prior to deliberation on the matter in question, and the Board shall make the final determination as to whether any Director has a conflict of interest in any matter. The minutes of the Board meeting shall reflect disclosure of any conflict of interest and the recusal of the interested Director.

Article V Officers

5.1 Titles and Qualifications. The officers of the Association shall be a president, a vice president, a secretary, a chief financial officer and such other officers with such titles and duties as shall be determined by the Board and as may be necessary to enable it to sign instruments or appropriate to further its functions. The president is the general manager and chief executive officer of the corporation. One person may hold more than one office, other than the offices of President and Secretary.

5.2 Term of Office. The officers shall be chosen by and serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment.

5.3 Resignation. Any officer may resign at any time by giving written notice to the President or Secretary of the Board. Such resignation shall take effect at the time specified in the notice, or if no time is specified, then immediately.

5.4 Removal. Any officer may be removed from such office, with or without cause, by a two-thirds vote of the Directors then in office (not including the officer whose removal is being considered) at any regular Board meeting or special meeting of the Board expressly for that purpose.

5.5 Vacancies. A vacancy in any office shall be filled by the Board for the unexpired term within 60 days.

5.6 President. The President shall give active direction and have control of the business and affairs of the Association. He or she may sign contracts or other instruments, which the Board has authorized to be executed, and shall perform all duties incident to the office of President as may be prescribed by the Board.

5.7 Vice President. The Vice President shall act for the President when the President is absent or incapacitated; and in general perform all duties incident to the office of Vice President and such other duties as may be assigned by the Board.

5.8 Secretary. The Secretary shall keep the minutes of the meetings of the Board; see that all notices are duly given in accordance with the provisions of these Bylaws, ensure staff Members keep corporate records; and in general perform all duties incident to the office of Secretary and such other duties as may be assigned by the Board.

5.9 Treasurer. The Treasurer shall be responsible for and oversee all financial administration of the Association. The Treasurer shall ensure staff Members properly receive and give receipts for moneys due and payable to the Association and deposit all such moneys in the name of the Association in appropriate banks, and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board.

5.10 Bonding. If requested by the Board, any person entrusted with the handling of funds or valuable property of the Association shall furnish, at the expense of the Association, a fidelity bond, approved by the Board.

Article VI Association Records, Reports and Seal

6.1 Records. The Association shall keep adequate and correct records of account and minutes of the proceedings of its members, Board and committees of the Board. The Association shall also keep a record of its members giving their names and addresses (in alphabetical order) and the class of membership held by each. The minutes shall be kept in written form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

6.2 Annual Report. The Association shall notify each member annually of the member's right to receive a financial report pursuant to Corporation Code Section 8321(a). Except where the Association does not have more than one hundred (100) members or more than Ten Thousand Dollars (\$10,000) in assets at any time during the fiscal year, on the written request of a member, the Board shall promptly cause the most recent annual report to be sent to the requesting member. The annual report shall be prepared not later than one hundred twenty (120) days after the close of the Association's fiscal year. The annual report shall contain in appropriate detail, the following:

- A. A balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such year;
- B. A statement of place where the names and addresses of the current members are located; and
- C. Any information concerning certain transactions and indemnifications required by Corporations Code Section 8322. The annual report shall be accompanied by any report thereon of independent accountants or, if there is not such a report, the certificate of any authorized officer of the Association that such statements were prepared without audit from the books and records of the Association.

6.3 Annual Statement of Certain Transactions and Indemnifications. The Association shall furnish annually to its members a statement of any transaction or

indemnification described in Corporations Code Section 8322(d) and (e), if such transaction or indemnification took place. If the Association issues an annual report described in Section 6.2 of these bylaws, to all members, such annual statement shall be affixed to and sent with such annual report described in Section 6.2 of these bylaws.

6.4 Corporate Seal. The Board of Directors may adopt a corporate seal which shall, at a minimum, have the name of the Association and the date of its incorporation inscribed thereon. The secretary of the Association shall have the custody of the seal and affix it in all appropriate cases to all corporate documents. Failure to affix the seal shall not, however, affect the validity of any instrument.

Article VII Indemnification

7.1 Unless otherwise prohibited by law, the Association may indemnify any Director or officer or any former Director or officer, and may by resolution of the Board indemnify any employee, against any and all expenses and liabilities incurred by him or her in connection with any claim, action, suit, or proceeding to which he or she is made a party by reason of being a Director, officer, or employee. However, there shall be no indemnification in relation to matters as to which he or she shall be adjudged to be guilty of a criminal offense or liable to the Association for damages or other relief arising out of his or her own gross negligence in the performance of a duty to the Association.

Amounts paid in indemnification of expenses and liabilities may include, but shall not be limited to, counsel fees and other fees; costs and disbursements; and judgments, fines, and penalties against, and amounts paid in settlement by, such Director, officer, or employee. The Association may advance expenses or, where appropriate, may itself undertake the defense of any Director, officer, or employee. However, such Director, officer, or employee shall repay such expenses if it should be ultimately determined that he or she is not entitled to indemnification under this Article.

The Board may also authorize the purchase of insurance on behalf of any Director, officer, employee, or other agent against any liability incurred by him or her which arises out of such person's status as a Director, officer, employee, or agent, whether or not the Association would have the power to indemnify the person against that liability under law.

Article VIII Amendments to Bylaws

8.1 These Bylaws may be adopted upon the affirmative vote of two-thirds (2/3) of all of the votes entitled to be cast by the voting Members. Amendments to the Bylaws may be proposed by any Regular Member or by the Board. These Bylaws may be amended upon the affirmative vote of two-thirds of the Directors then in office unless an

amendment proposes increasing or decreasing the number of Directors, amending Members' voting rights and reclassifying, canceling or adding a class of membership.

Article IX
Fiscal Year

9.1 The fiscal year of the Association shall be the calendar year.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the present Secretary of the California Craft Brewers Association and the above Bylaws were adopted in accordance with Article VIII of these Bylaws on , 2011.

Secretary

Date