

DRAFT BYLAWS
OF
California Craft Brewers Association

	<i>Page</i>	
ARTICLE I	Name, Principal Office, Purpose and Restrictions	
	1.01 Name	3
	1.02 Principal Office	3
	1.03 Mission	3
	1.04 Restrictions	3
ARTICLE II	Members	
	2.01 Membership Qualifications	3
	2.02 Classes of Membership	4
	2.03 Membership Representative	4
	2.04 Member in Good Standing	4
	2.05 Member Obligation to Follow Association Rules	5
	2.06 Termination	5
	2.07 Discipline	5
	2.08 Member Liability	5
ARTICLE III	Dues	
	3.01 Dues	5
	3.02 Delinquency	6
	3.03 Refunds	6
ARTICLE IV	Membership Meetings	
	4.01 Annual Membership Meeting	6
	4.02 Special Meetings	6
	4.03 Notice	6
	4.04 Quorum, Voting	6
	4.05 Action Without a Meeting: Written Ballot	6
ARTICLE V	Board of Director	
	5.01 Board of Directors	7
	5.02 Eligibility and Number of Directors	7
	5.03 Nomination	7
	5.04 Election and Term of Office	7

	5.05 Vacancies	8
	5.06 Meetings	8
	5.07 Notice	8
	5.08 Quorum	8
	5.09 Board Action	8
	5.10 Meeting Attendance	8
	5.11 Conduct of Meetings	8
	5.12 Meeting by Conference or Other Electronic Means	8
	5.13 Action by Unanimous Written Consent Without a Meeting	9
ARTICLE VI	Officers	
	6.01 Officers	9
	6.02 Qualifications	9
	6.03 Election and Term of Office	9
	6.04 Duties	9
ARTICLE VII	Executive Committee	
	7.01 Composition	9
	7.02 Authority	9
ARTICLE VIII	Other Committees	
	8.01 Other Committees	10
ARTICLE IX	Indemnification and Insurance	
	9.01 Indemnification	10
	9.02 Insurance	10
ARTICLE X	Chapters	
	10.01 Chapters	10
ARTICLE XI	Emergency Action	
	11.01 Emergency Action	10
ARTICLE XII	Amendment of Bylaws	
	12.01 Amendment of Bylaws	11
ARTICLE XIII	Interpretation	
	13.01 Interpretation	11

BYLAWS

OF

California Craft Brewers Association

ARTICLE I

Name, Principal Office, Purpose and Restrictions

- 1.01 *Name.* The name of the Association is the California Craft Brewers Association (the "Association"), a California nonprofit mutual benefit corporation.
- 1.02 *Principal Office.* The Board of Directors (the "Board" or "Directors") shall determine the location of the principal office of the Association, which is granted full power and authority to change the principal office of the Association from one location to another from time to time.
- 1.03 *Mission.* The mission of the California Craft Brewers Association is to connect and empower the craft brewers of California, provide legislative advocacy on behalf of Association members, effectively communicate with Association members about issues affecting craft brewers, and provide members with quality continuing education.
- 1.04 *Restrictions.* All policies and activities of the Association shall be consistent with applicable federal, state and local antitrust, trade regulation laws and other legal requirements, including the California Nonprofit Corporation Law under which the Association is organized and operated, and applicable tax-exemption requirements.

ARTICLE II

Members

- 2.01 *Membership Qualifications.* Membership in the Association is extended to persons or firms involved in or associated with the industry who have business dealings in the territorial jurisdiction of the Association, and who conform to other membership conditions and requirements established by the Association.

- 2.02 *Classes of Membership.* There shall be two classes of membership: Regular Members and Associate Members. The Board of Directors shall determine and set forth in separate documents the dues, terms, and other conditions of each class member.
- 2.02.1 *Regular Members.* To be eligible for Regular Membership, brewers, including a “controlled group” of brewers (as understood under the provisions of 26 U.S.C. § 5051), must produce no more than three (3) million barrels globally, on an annual basis. Eligible brewers must hold a brewer’s notice issued by the Alcohol & Tobacco Tax & Trade Bureau, or any successor, and must be in compliance with such permit. Brewers must also hold a license to manufacture beer issued by the California Department of Alcoholic Beverage Control, or any successor, and must be in compliance with their specific license-type privileges. Additionally, at least fifty percent (50%) of the brewer’s (including a controlled group of brewers) volume of alcoholic beverage production must be marketed and sold as “beer,” as defined by the Alcohol & Tobacco Tax & Trade Bureau, or any successor. Flavored malt beverages and other, flavored, sugar beverages are not considered “beer” for the purposes of Association Regular Membership.
- Regular Members in good standing shall be eligible to designate a representative to serve on the Board of Directors (subject to election by the Regular Members, as set forth below). Regular Members shall be eligible to vote, and may serve on committees of the Association.
- 2.02.2 *Associate Members.* Associate membership may be open to tradespeople dealing with the brewing industry, consumers, retailers, distributors, craft brewers located outside of California, craft brewers located outside of the United States, and alcoholic beverage producers holding a license to manufacture alcohol, as set forth and defined by the Board from time to time. Despite use of the word “Members” in this section, Associate Members are not members in the legal sense, and may neither serve on the Board of Directors nor vote on Association matters. Associate Members may attend Association meetings to the extent they are invited by the Board or other Association committee, subcommittee, task force or work group meeting body to do so.
- 2.03 *Member in Good Standing.* A member in good standing is one who has paid current dues, has no other outstanding obligations to the Association, and who has not been found by the Association to be in violation of membership conditions, requirements, and other policies established by the Association.
- 2.04 *Member Obligation to Follow Association Rules.* Each member of this Association agrees to be bound by these Bylaws and any amendments thereto, and by the lawful actions of the Board or duly constituted committees of the Association.

- 2.05 *Resignation.* A member may resign upon written notice to any staff member of the Association, or to any member of the Association's Board of Directors. A resigning member shall not be entitled to any return of dues paid or other contributions made to the Association.
- 2.06 *Termination.* A membership shall be suspended or terminated whenever the Board, or a committee or person authorized by the Board, in good faith determines that any of the following events have occurred: (a) resignation of member, on reasonable notice to the Association as set forth above; (b) expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board; (c) failure of a member to pay dues, fees, or assessments in the amount and under the terms set by the Board; or (d) the occurrence of any event that renders a member ineligible for membership under sections 2.02.1 or 2.02.2 or failure to satisfy membership qualifications as defined by the Board of Directors from time to time.
- 2.07 *Discipline.* A member may be publicly reprimanded, fined, suspended or terminated for cause by the Board or its designee. Cause shall include a failure, in serious degree, to (1) observe the Association's rules of conduct as prescribed by the Board in these Bylaws or otherwise, (2) to abide in the lawful decisions of any duly constituted committee of the Association, or to engage in any conduct which is deemed by the Board or its designee contrary or prejudicial to the interests or purposes of the Association. The discipline shall occur only after the member has been given a fifteen-day prior written notice of the proposed discipline and the reasons therefor. The notice shall also advise the member of the member's opportunity to be heard, orally or in writing, not less than five days before the effective date of the discipline by the Board or its designee. The Board or its designee shall determine whether cause exists and the appropriate discipline, if any.
- The Board is not required to follow the above procedure when imposing lesser discipline such as private reprimand.
- 2.08 *Member Liability.* No member of the Association shall be personally or otherwise liable for any of the debts or obligations of the Association.

ARTICLE III

Dues

- 3.01 *Dues.* The Board shall set dues and fees, make assessments and set the terms of payment.

- 3.02 *Delinquency.* Any member of the Association who is delinquent in dues, fees or assessments for a period of three (3) months after such dues are assessed may be suspended or terminated as provided above.
- 3.03 *Refunds.* No dues will be refunded except as approved by a two-thirds vote of the Board of Directors or its designee, in its sole and final discretion.

ARTICLE IV

Membership Meetings

- 4.01 *Annual Membership Meeting.* The Association shall hold an annual meeting of the regular membership at the place and on the date that the Board determines. At the annual meeting, the Board shall report the activities of the Association to the members, and other business shall be transacted as may be properly brought before the meeting. 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.
- 4.02 *Special Meetings.* The Chair, a quorum of the Board, or twenty (20) percent or more of the voting members may call special meetings of the membership.
- 4.03 *Notice.* The Board must give Association members reasonable notice of all annual and special meetings. The notice shall include a description of the business to be discussed and shall be given at least ten (10) days (but not more than ninety (90) days) before the meeting. Notice may be given by facsimile, electronic mail, or hand delivery, and will be deemed given when received. Notice may also be given by first-class mail or overnight delivery service with postage prepaid at the member's 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 delivery service.
- 4.04 *Quorum, Voting.* The presence or participation of a minimum of twenty percent (20%) of the regular membership constitutes a quorum. Each Regular Member shall be entitled to one (1) vote. Whenever a quorum is met, an act or decision made by a majority of the members is a valid act or decision.
- 4.05 *Action Without a Meeting: Written Ballot.* Any action which may be taken at a meeting of the members may be taken by conforming to the mail balloting procedure specified in the California Nonprofit Corporation Law.

ARTICLE V

Board of Directors

- 5.01 *Board of Directors.* The Board is the governing body of the Association and has the authority, and is responsible for, the supervision, control, and direction of the Association.
- 5.02 *Eligibility and Number of Directors.* The authorized number of Directors of the Association shall be not less than five (5) and no more than fifteen (15) Directors, including Directors-at-large, until changed by an amendment of the Bylaws, by the vote or written assent of members entitled to exercise a majority of the voting power of the Association, or by the vote of a majority of a quorum at a meeting of members duly called pursuant to the Bylaws. All elected Directors must be principals, officers, or directors of Regular Members. Directors shall receive no financial compensation for their services, however, certain Directors may be eligible for reimbursement for reasonable travel expenses incurred on Association business, as set forth and defined by policy of the Board of Directors.
- The Board is comprised of the following:
- Five (5) to fifteen (15) elected Directors; and
 - Up to two (2) Directors-at-large, serving up to one (1) 3-year term.
- 5.03 *Nomination.* Any person eligible to be a director under this Article V may be nominated by the method of nomination authorized by the Board, or by any other method authorized by law.
- 5.04 *Election and Term of Office.* Elected Directors serve staggered terms of three years beginning immediately after their election, unless the Director is completing the unexpired term of another Director. Each year, Regular Members will vote to choose new members of the Board to replace those whose terms are expiring either at the annual meeting, or by written ballot as authorized herein. Elected Directors may serve up to a maximum of three (3) consecutive 3-year terms. Directors who are completing the unexpired term of another Director may serve up to a maximum of three (3) consecutive 3-year terms in addition to the remainder of the unexpired portion of the other

Director's term. Directors-at-large shall be nominated by the Board and elected by a majority vote of the Board, at its discretion.

- 5.05 *Vacancies.* If a vacancy occurs in an elected Board position, regardless of reason, during the first half of the term of said director, the vacancy will be filled by vote of the Regular Members as set forth in Section 5.04 of these Bylaws. If a vacancy occurs in an elected Board position during the second half of the term of said director, the Board may, but is not required to, fill the unexpired portion of the term. The Board may, at its discretion, fill any vacancy in a Director-at-large position.
- 5.06 *Meetings.* The Chair, the Vice-Chair, the Secretary/Treasurer or any two Directors may call meetings of the Board. The Board shall hold its annual meeting at the time and place it selects and shall hold other meetings (usually quarterly) at the time and place it selects.
- 5.07 *Notice.* The Board may hold regular meetings without notice if the time and place of such meetings is fixed by the Board. The Board may hold special meetings upon four (4) days-notice by first class mail or twenty-four (24) hours-notice delivered personally or by telephone, telegraph, email or facsimile.
- 5.08 *Quorum.* A majority of the directors then in office shall be necessary to constitute a quorum of the Board.
- 5.09 *Board Action.* 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. The Board may adopt rules and regulations which may supplement and interpret these Bylaws and shall be binding and enforceable as to members, Directors and officers.
- 5.10 *Meeting Attendance.* The Board may declare vacant the position of any elected Director who fails to attend any two consecutive regular meetings of the Board.
- 5.11 *Conduct of Meetings.* The Board shall adopt and adhere to an appropriate parliamentary procedure in the conduct of its meetings.
- 5.12 *Meeting by Conference or Other Electronic Means.* Members of the Board may participate in a meeting through use of conference telephone, electronic video screen communication, or other communication equipment if all of the following apply:
(1) each member can communicate with all of the other members concurrently;
(2) each member is provided with a means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection, to a specific action to be taken;

(3) a means of verification is adopted and implemented by the Association as to both of the following: (a) the person communicating by electronic means is entitled to participate in the Board meeting and (b) all statements, questions, actions, or votes were made by that person and not by another person not entitled to participate.

- 5.13 *Action by Unanimous Written Consent Without a Meeting.* Any action required or permitted to be taken by the Board under any provision of law may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action in the manner specified in the California Nonprofit Corporation Law.

ARTICLE VI

Officers

- 6.01 *Officers.* The officers of the Association shall be a Chair, Vice-Chair, and Secretary/Treasurer. All officers of the Association are required to be elected Directors. Directors-at-large are not eligible to serve as officers of the Association.
- 6.02 *Election and Term of Office.* The officers shall be elected by the Board at the first regular Board meeting after the annual election. Each officer shall serve a term of one (1) year.
- 6.03 *Duties.* The officers perform those duties that are usual to their positions and that are assigned to them by the Board, including those duties that are set forth in the position descriptions for each officer as adopted by the Board from time to time. In addition, the Chair acts as Chair of the Board; the Vice-Chair acts in place of the Chair when the Chair is not available; and the Secretary/Treasurer is the chief financial officer.

ARTICLE VII

Executive Committee

- 7.01 *Composition.* The Executive Committee shall consist of the Chair, Vice-Chair, Treasurer/Secretary and the immediate past Chair. The Board Chair shall serve as chair of the Executive Committee.
- 7.02 *Authority.* The Executive Committee shall act in the place and stead of the Board between Board meetings on all matters except those specifically reserved by the Board. The Executive Committee shall report its actions to the Board no later than the next meeting of the Board.

ARTICLE VIII

Other Committees

- 8.01 *Other Committees.* The Board may form, revise or terminate other committees on such terms and conditions as it deems to be appropriate.

ARTICLE IX

Indemnification and Insurance

- 9.01 *Indemnification.* To the fullest extent permitted by the law, the Association shall defend, indemnify and hold harmless any agent against any claim arising out of any alleged or actual action or inaction in the performance of duties performed in good faith on the Association's behalf. "Agent" for this purpose shall include representatives, Directors, officers and employees.
- 9.02 *Insurance.* The Association may purchase and maintain insurance to the full extent permitted by the law on behalf of its Agents against any liability asserted against or incurred by the Agent in such capacity arising out of the Agent's status as such.

ARTICLE X

Chapters and Affiliates

- 10.01 *Chapters and Affiliates.* The Board may recognize chapters and affiliates (sometimes referred to as "Guilds") on such terms and conditions as it deems appropriate, which shall be included in an appropriate written agreement between the Association and the chapter or affiliate, addressing all significant aspects of the relationship.

ARTICLE XI

Emergency Action

- 11.01 *Emergency Action.* The Board of Directors or Executive Committee of this Association may, to the full extent of and in the manner permitted by

Corporations Code Sections 7140 and 7151, take actions and conduct business as may be necessary to protect the interests of the Association and its membership in the event of an emergency. A written record of all actions taken will be maintained during the emergency period, and all such actions shall be subject to review by the Association, in its sole discretion, upon conclusion of the emergency.

ARTICLE XII

Amendment of Bylaws

12.01 *Amendment of Bylaws.* These Bylaws may be amended by a two-thirds vote of the Board, provided that certain amendments to the Bylaws specified in the California Nonprofit Corporation Law including those that materially and adversely affect the rights of Regular Members or change the authorized number of Directors, must be approved by the Regular Members.

ARTICLE XIII

Interpretation

13.01 *Interpretation.* These Bylaws constitute a written agreement between the Association and its members, Directors and officers. The Bylaws should be interpreted in connection with the California Nonprofit Corporation Law that supplements and controls these Bylaws.