

**BYLAWS
OF
CALIFORNIA RETAILERS ASSOCIATION**
(a California nonprofit mutual benefit corporation)

ARTICLE I

NAME, LOCATION AND PURPOSES

1. Corporate Name. The name of this corporation is California Retailers Association (hereafter referred to as the “corporation” or “association” or “CRA”).
2. Principal Office. The principal office for the transaction of the activities and affairs of this corporation is located at 980 Ninth Street, Sacramento, in Sacramento County, California. The board of directors (hereafter “board”) may change the location of the principal office.
3. Purpose. The purpose of this corporation is to operate a trade association for the mutual benefit of California retailers, including general merchandise stores, supermarkets, chain drug and convenience stores, mass merchandisers, specialty retailers and other retail businesses which only sell products that are legal under applicable local, state, and federal law.

Specifically, the association shall:

- A. Study those problems that are statewide in scope affecting general merchandise stores, supermarkets, chain drug and convenience stores, mass merchandisers, specialty retailers and other retail businesses as may become members of this Association;
- B. Make such recommendations to its members as seem proper as a result of its study and to take appropriate action authorized in consonance thereof;
- C. Study taxation, legislation and state administration as they affect the retail industry; to advise its membership on these matters and to take such proper steps as may be duly authorized for the protection of its membership from injurious legislation, taxation and administration;
- D. Study the efficient expenditure of state revenues and to report thereon from time to time to its membership; and

E. Study, report and act on such other matters of mutual interest to its members as may be determined from time to time by the board of directors.

ARTICLE II

MEMBERSHIP

1. Membership. This corporation is organized with members, but without capital stock. This corporation will have two classes of members, designated as regular (voting) and associate (non-voting). Any person eligible as described below and dedicated to the purposes of the corporation which is doing business in the State of California may apply for regular or associate membership, as appropriate. Upon approval by the president and payment of such dues and other fees as the board may fix from time to time, an applicant will be immediately entitled to all rights of regular or associate membership, as the case may be.

For purposes of these bylaws, "person" shall mean a sole proprietorship, trust, limited or general partnership, limited liability company (LLC), corporation, or any other business entity recognized by the state of California.

A. Regular Voting Members. Any general merchandise store, supermarket, chain drug or convenience store, mass merchandiser, specialty retailer, or other retail businesses doing business in California which only sell products that are legal under applicable local, state, and federal law shall be eligible for regular voting membership in the association, conditioned upon approval by the president and payment of the required dues, fees, and assessments.

All persons admitted to voting membership in the association shall have the rights afforded members under the California Nonprofit Mutual Benefit Corporation Law, including the right to vote on issues put before the membership and to serve on the board of Directors. Each voting member shall have one (1) vote on membership issues.

Each voting member shall designate in writing the individual who shall exercise the voting rights and other privileges on behalf of the member. The designation shall be filed and maintained with the corporate records. Said designation may be changed by written notice to the association.

B. Non-voting Associate Members. The association may also admit associate members who shall be non-voting members of the association. Persons who are not qualified for voting membership but who are interested and supportive of the mission of the association, may become associate members upon approval by the president and payment of the required dues and/or fees.

Associate members shall be non-voting members of the association and shall not have any of the voting rights at membership meetings which are afforded voting members under the California Nonprofit Mutual Benefit Corporation Law. Associate members

may be elected by the regular voting members to serve on the board, but associate members may not vote in the elections or serve as officers.

2. Dues, Fees, and Assessments. Each member must pay, within the time and on the conditions set by the association, the dues, fees, and assessments established from time to time by the board, or as delegated to the President.

3. Members in Good Standing. Members who have paid the required dues, fees, and assessments in accordance with these bylaws and who are not suspended will be members in good standing.

4. Termination of Membership.

A. Membership shall terminate on the occurrence of any of the following events:

- (1) Resignation of a member;
- (2) Expulsion pursuant to this Article;
- (3) Failure of a member to meet the criteria for membership.

5. Suspension or Expulsion from Membership and Procedures.

A. Bases for Suspension or Expulsion. Any CRA member may be suspended or expelled in accordance with this section, based on the good faith determination by the board that 1) the member has failed in a material and serious degree to comply with the association's articles of incorporation, bylaws, code of ethics if any, or any law applicable to the association and its members, or 2) has failed to timely pay any dues, fees, or assessments, or 3) has engaged in conduct materially and seriously prejudicial to the purposes and interests of the association.

A person whose membership is suspended shall not be a member in good standing during the period of suspension.

B. Procedure for Suspension or Expulsion. If grounds appear to exist for suspension or expulsion of a member under this section, the procedures set forth below shall be followed:

- (i) The member shall be provided at least 15 days prior notice of the proposed suspension or expulsion and the reasons for the proposed suspension or expulsion. Notice shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be sent first class or express mail to the member's last address as shown on the association's records. However, facsimile or electronic mail may be used for this notice if the member has consented to such methods of notice and if the association reasonably believes that the member will receive the notice.

- (ii) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed suspension or expulsion. The hearing shall be held, or the written statement considered, by the board to determine whether the suspension or expulsion should take place.
- (iii) The board shall decide whether or not the member should be suspended, expelled or sanctioned in some other way. The decision of the board shall be final.
- (iv) Any action challenging a suspension or expulsion of membership, including a claim alleging defective notice, must be received by the association within one year after the effective date of the suspension or expulsion.

C. Effect of Suspension or Expulsion. All rights of a member of the association shall cease upon suspension or expulsion from membership. In the case of expulsion, the member's membership in the association shall terminate on the effective date of the expulsion. However, suspension or expulsion shall not relieve the member (or former member) of any existing obligations to the association, including the obligation to pay dues, fees or assessments which accrued during membership.

6. Memberships Not Transferable. No membership or right arising from membership may be transferred.

7. Annual Meeting. A general meeting of members will be held at least once each calendar year at such time and place, and on such notice as the board or the president may determine. Unless elected by written ballot, directors will be elected at this meeting. Subject to the law and these bylaws, any other proper business may be transacted at this meeting.

8. Location of Meetings.

A. Meetings of the members will be held at any place within or outside California designated by the board or president, or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings will be held at the corporation's principal office. The board may authorize members who are not present in person to participate by electronic transmission or electronic video communication.

9. Electronic Meetings.

A. If authorized by the board in its sole discretion, and subject to the requirements of consent in Corporations Code section 20(b) and guidelines and procedures the board may adopt, members not physically present in person (or, if proxies are allowed by proxy) at a meeting of members may, by electronic

transmission by and to the corporation or by electronic video screen communication, participate in a meeting of members, be deemed present in person (or, if proxies are allowed, by proxy), and vote at a meeting of members whether that meeting is to be held at a designated place or in whole or in part by means of electronic transmission by and to the corporation or by electronic video screen communication, subject to the requirements of these bylaws.

B. A meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the corporation or by electronic video screen communication:

- (1) If the corporation implements reasonable measures to provide members in person (or, if proxies are allowed, by proxy) a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings; and
- (2) If any member votes or takes other action at the meeting by means of electronic transmission to the corporation or electronic video screen communication, a record of that vote or action is maintained by the corporation. Any request by a corporation to a member pursuant to Corporations Code section 20(b) for consent to conduct a meeting of members by electronic transmission by and to the corporation will include a notice that absent consent of the member pursuant to Corporations Code section 20(b), the meeting will be held at a physical location in accordance with section 13 of these bylaws.

10. Special Meetings. The board or the chair of the board, if any, or the president, or five percent or more of the members, may call a special meeting of the members for any lawful purpose at any time.

11. Proper Business of Special Meeting. No business, other than the business that was set forth in the notice of the meeting, may be transacted at a special meeting.

12. Written Notice Required.

A. Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting will be given, under these bylaws, to each member entitled to vote at that meeting. The notice will specify the place, date, and hour of the meeting, and the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate in the meeting.

B. For the annual meeting, the notice will state the matters that the board, at the time notice is given, intends to present for action by the members.

C. For a special meeting, the notice will state the general nature of the business to be transacted and will state that no other business may be transacted.

D. The notice of any meeting at which directors are to be elected will include the names of all persons who are nominees when notice is given.

13. Notice Requirements.

A. Notice of any meeting of members will be in writing and will be given at least 10 but no more than 90 days before the meeting date. The notice will be given either personally, by electronic transmission by the corporation, or by first-class, registered, express, or certified mail, or by other means of written communication, charges prepaid, and will be addressed to each member entitled to vote, at the address of that member as it appears on the books of the corporation or at the address given by the member to the corporation for purposes of notice. If no address appears on the corporation's books and no address has been so given, notice will be deemed to have been given if either (A) notice is sent to that member by first-class mail or facsimile or other written communication to the corporation's principal office or (B) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

B. Notice given by electronic transmission by the corporation will be valid only if

- (1) Delivered by (A) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation; (B) posting on an electronic message board or network that the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered on the later of the posting or delivery of the separate notice of it; or (C) other means of electronic communication; and
- (2) To a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and
- (3) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

C. Notwithstanding subsection B, above,

- (1) An electronic transmission by this corporation to a member is not authorized unless, in addition to satisfying the requirements of this

section, the consent to the transmission has been preceded by or includes a clear written statement to the recipient as to (A) any right of the recipient to have the record provided or made available on paper in non-electronic form, (B) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the corporation, and (C) the procedures the recipient must use to withdraw consent.

- (2) Notice will not be given by electronic transmission by the corporation after either of the following: (A) the corporation is unable to deliver two consecutive notices to the member by that means or (B) the inability so to deliver the notices to the member becomes known to the secretary, any assistant secretary, or any other person responsible for the giving of the notice.

14. Affidavit of Mailing. An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the secretary, assistant secretary, or any transfer agent of the corporation, and if so executed, will be filed and maintained in the corporation's minute book.

15. Quorum. One-third of the voting power will constitute a quorum for the transaction of business at any meeting of members. Except as otherwise required by law, the articles, or these bylaws, the members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

16. Eligibility to Vote. Subject to the California Mutual Benefit Corporation Law, regular voting members in good standing on the record date will be entitled to vote at any meeting of members.

17. Manner of Voting. Voting at a meeting of members may be by voice or by ballot, except that any election of directors must be by ballot.

18. Number of Votes. Each member entitled to vote may cast one vote on each matter submitted to a vote of the members.

19. Majority Approval. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, will be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Mutual Benefit Corporation Law or by the articles of incorporation.

20. Waiver of Notice or Consent.

- A. The transactions of any meeting of members, however called or noticed and wherever held, will be as valid as though taken at a meeting duly held after standard call and notice, if (1) a quorum is present either in person or by proxy, and (2) either before or after the meeting, each member entitled to vote, 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. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of the meeting except that, if action is taken or proposed to be taken for approval of any matter specified in section 18 of these bylaws, the waiver of notice, consent, or approval will state the general nature of the proposal. All such waivers, consents, or approvals will be filed with the corporate records or made a part of the minutes of the meeting.
- B. A member's attendance at a meeting will also constitute a waiver of notice of and presence at that meeting unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

21. Action by Unanimous Written Consent. Any action required or permitted to be taken by the members may be taken without a meeting, if all voting members consent in writing to the action. The written consent or consents will be filed with the minutes of the meeting. The action by written consent will have the same force and effect as a unanimous vote of the members.

22. Action by Written Ballot. Any action that members may take at any meeting of members may also be taken by written ballot without a meeting by complying with this section.

- A. Solicitation of Ballots. This corporation will distribute one written ballot to each member entitled to vote on the matter. The ballot and any related material may be sent by electronic transmission by the corporation, and responses may be returned to the corporation by electronic transmission that meets the requirements of sections 20 and 21 of the Corporations Code. All solicitations of votes by written ballot will (1) state the number of responses needed to meet the quorum requirement; (2) state, with respect to ballots other than for election of directors, the percentage of approvals necessary to pass the measure or measures; and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed will (1) set forth the proposed action; (2) give the members an opportunity to specify approval or disapproval of each proposal; and (3) provide a reasonable time in which to return the ballot to the corporation.

- B. Election of Directors. In any election of directors, a written ballot that a member marks “withhold,” or otherwise marks in a manner indicating that authority to vote is withheld, will not be voted either for or against the election of a director.
 - C. Approval Requirements. Approval by written ballot will be valid only when (1) the number of votes cast by ballot (including ballots that are marked “withhold” or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.
 - D. Written Ballots As Irrevocable. A written ballot may not be revoked.
 - E. Filing Ballots. All written ballots will be filed with the secretary of the corporation and maintained in the corporate records for at least one year.
23. Record Date.
- A. For purposes of establishing the members entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action, the board of directors may, in advance, fix a record date. The record date so fixed for
 - (1) sending notice of a meeting will be no more than 90 nor less than 10 days before the date of the meeting;
 - (2) voting at a meeting will be no more than 60 days before the date of the meeting;
 - (3) voting by written ballot will be no more than 60 days before the day on which the first written ballot is mailed or solicited; and
 - (4) taking any other action will be no more than 60 days before that action.
 - B. If not otherwise fixed by the board, the record date for determining members entitled to receive notice of a meeting of members will be the next business day preceding the day on which notice is given or, if notice is waived, the next business day preceding the day on which the meeting is held. If not otherwise fixed by the board, the record date for determining members entitled to vote at the meeting will be the day on which the meeting is held.

C. If not otherwise fixed by the board, the record date for determining members entitled to vote by written ballot will be the day on which the first written ballot is mailed or solicited.

D. If not otherwise fixed by the board, the record date for determining members entitled to exercise any rights with respect to any other lawful action will be the date on which the board adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later.

24. Proxies. Proxy voting is not allowed.

25. Adjournment; Notice. Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, or by the Chair. No meeting may be adjourned for more than 45 days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned (or the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate) are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting will be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

ARTICLE III

BOARD OF DIRECTORS

1. General Powers of Board. Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws regarding actions that require approval of the members, the corporation's activities and affairs will be managed, and all corporate powers will be exercised, by or under the direction of the board.

2. Specific Powers of Board. Without prejudice to the general powers set forth in these bylaws, but subject to the same limitations, the board will have the power to do the following:

A. Appoint and remove, at the pleasure of the board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; fix their compensation; and require from them security for faithful service.

B. Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its

activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in or outside California for holding any meeting of members.

C. Borrow money and incur indebtedness on the corporation's behalf and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

3. Number and Qualifications of Directors. The authorized number of directors will be not less than fifteen (15) and not more than fifty-four (54), the exact number to be determined by resolution of the board from time to time.

All directors shall be elected by the regular voting members. At least 80% of the authorized number of directors shall be elected by and from among the regular voting members. Up to 20% may be elected from among the non-voting associate members. While non-voting associate members may be elected to a voting seat on the board, non-voting associate members do not vote in the elections for directors. CRA employees may not serve on the board.

4. Term. Directors will be elected to serve three (3) years and until a successor has been elected and qualified. There shall be no limit on the number of terms a director may serve if he or she remains qualified and elected. The board may stagger the terms of directors using any reasonable method.

5. Elections. The regular voting members shall elect directors to available positions pursuant to nomination and election procedures adopted by the board.

6. Vacancies Filled by Board. Except for a vacancy created by the removal of a director by the members, vacancies on the board may be filled by approval of the board or, if the number of directors then in office is less than a quorum, by (A) the unanimous written consent of the directors then in office, (B) the affirmative vote of a majority of the directors then in office at a meeting held according to notice or waivers of notice complying with Corporations Code section 7211, or (C) a sole remaining director.

7. Vacancies Filled by Members. The members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors.

8. Location of Board Meetings. Meetings of the board will be held at any place within or outside California that has been designated by the board or the president or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

9. Meetings by Telecommunication. Any board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this section will constitute presence in person at the meeting if both the following apply:

- A. Each member participating in the meeting can communicate concurrently with all other members.
 - B. Each member is provided the 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 by the corporation.
10. Annual Meeting of Board. Coincident with, or within sixty (60) days after, each annual meeting of members, the board will hold a general meeting for purposes of organization, election of officers, and transaction of other business. Notice of this meeting is not required. Other general meetings of the board may be held without notice at such time and place as the board may fix from time to time.
11. Special Meetings. Special meetings of the board for any purpose may be called at any time by the chair of the board, if any, the president or any vice president, the secretary, or any two directors.
12. Notice of Special Meetings.
- A. Notice of the time and place of special meetings will be given to each director by (1) personal delivery of written notice; (2) first-class mail, postage prepaid; (3) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic transmission, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (4) facsimile; (5) electronic mail; or (6) other electronic means. All such notices will be given or sent to the director's address or telephone number as shown on the corporation's records.
 - B. Notices sent by first-class mail will be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic transmission will be delivered, telephoned, or sent, respectively, at least 48 hours before the time set for the meeting.
- The notice will state the time of the meeting and the place, if the place is other than the corporation's principal office. The notice need not specify the purpose of the meeting.
13. Quorum. One-third of the authorized number of directors will constitute a quorum for the transaction of any business except adjournment. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present will be an act of the board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, the provisions on (A) approval of contracts or transactions between this corporation and one or more directors or between this corporation and any entity in which a director has a

material financial interest, (B) creation of and appointments to committees of the board, and (C) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

14. Waiver of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals will be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

15. Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

16. Board Action Without Meeting. Any action that the board is required or permitted to take may be taken without a meeting if all directors individually or collectively consent in writing to that action. The action by written consent shall have the same force and effect as a unanimous vote of the directors. All such consents will be filed with the minutes of the proceedings of the board.

ARTICLE IV

COMMITTEES

1. Committees of the Board. The board, by resolution, may create committees of the board, each consisting of two or more directors *and no persons who are not directors*, to serve at the pleasure of the board. Except as provided otherwise in these bylaws, the board shall appoint a chair for each committee of the board from among the directors. The chair of each committee shall appoint the members of the committee from among the directors. Any such committee, to the extent provided in the board resolution, shall have all the authority of the board, except that no committee, regardless of board resolution, may:

- A. Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- B. Fill vacancies on the board or any committee of the board;
- C. Set compensation for directors for serving on the board or on any committee;
- D. Amend or repeal bylaws or adopt new bylaws,

- E. Amend or repeal any resolution of the board that by its express terms is not so amendable or repealable;
- F. Create any other committees of the board or appoint the members of committees of the board; or
- G. Approve any contract or transaction to which the corporation is a party and in which one or more of its directors has a material financial interest, except as special approval is provided for in Corporations Code section 5233(d)(3).

2. Executive Committee. The Executive Committee shall be a “standing committee of the board” subject to all the rules applicable to “committees of the board”.

The Executive Committee shall consist of the Chair (or co-chairs), Vice Chair, if any, Secretary, Treasurer, immediate past Chair(s) (so long as the immediate past Chair(s) is/are still a director on the Board) and up to five (5) additional directors appointed by the Board. The Chair (or co-chairs) of the board shall be the chair(s) of the Executive Committee.

The Executive Committee shall have the authority of the board between board meetings to make decisions and take actions relative to the operation of the corporation. The Executive Committee shall report any decisions made or actions taken at each meeting of the full board. The Executive Committee may recommend to the board changes to the bylaws and to other operating policies.

3. Advisory Committees. The board may also establish advisory committees composed of at least one director and any number of other interested persons who are not directors. The president shall appoint the chair and members of each advisory committee. Advisory committees shall provide advice and recommendations to the board but shall not have the authority of the board or any final decision making authority.

4. Notice Requirements for Committees of the Board. Written notice and agenda requirements for meetings of committees of the board shall be the same as for board meetings. Committee meetings may be called by the president, the Chair of the board, the chair of the committee, or by a majority of the members of the committee.

5. Quorum for Committees. A majority of the voting members of any committee shall constitute a quorum, and the acts of a majority of the voting members present at a meeting at which a quorum is present shall constitute the act or recommendation of the committee.

6. Meetings by Telephone or Video Conference. Any meeting of a committee may be held by telephone or video conference in the same manner provided for board meetings.

ARTICLE V

ANNUAL REPORT

1. Annual Report

A. The board shall cause an annual report to be prepared within 120 days after the end of the corporation's fiscal year. That report shall contain the following information in appropriate detail:

- (1) A balance sheet as of the end of the fiscal year, an income statement, and statement of cash flows for the fiscal year, accompanied by an independent accountant's report or, if none, by the certificate of an authorized officer of the corporation that they were prepared without audit from the corporation's books and records;
- (2) A statement of the place where the names and addresses of current members are located; and
- (3) Any information required by section C below.

B. This corporation will annually notify each member of the member's right to receive a copy of the financial report under this section. On written request by a member, the board will promptly cause the most recent annual report to be sent to the requesting member. If the board approves, the corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission.

C. As part of the annual report to all members, or as a separate document if no annual report is issued, the corporation will annually prepare and mail, deliver, or send by electronic transmission to its members and furnish to its directors a statement of any transaction or indemnification of the following kinds within 120 days after the end of the corporation's fiscal year:

- (1) Unless approved by members under Corporations Code section 7233(a), any transaction (A) to which the corporation, its parent, or its subsidiary was a party, (B) which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (C) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a material financial interest):
 - (i) Any director or officer of the corporation, its parent, or its subsidiary;

- (ii) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary.

The statement will include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction, and, when practicable, the amount of that interest, except that, in a partnership in which such person is a partner, only the partnership interest need be stated.

- (2) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation, unless the loan, guaranty, indemnification, or advance has already been approved by the members under Corporations Code section 5034, or the loan or guaranty is not subject to Corporations Code section 7235(a).

ARTICLE VI

OFFICERS

1. Officers. The elected officers of this corporation will be a chair (or co-chairs in the Board's discretion), a vice-chair if there is only one chair, a secretary, and a treasurer. The offices of secretary and treasurer may be combined and held by one individual in the discretion of the board. If combined, the office shall be known as the secretary/treasurer. No other officer positions may be combined.

The president and any vice president shall be officers of the corporation, but not elected officers. The corporation, at the board's discretion, may also have one or more assistant secretaries and one or more assistant treasurers.

2. Qualifications of Officers. All elected officers must be directors on the board. No associate member serving as a director on the board may be elected to an officer position.

3. Terms of Officers. The elected officers of the corporation shall be elected by and from among the directors at the annual board meeting. The elected officers shall serve at the pleasure of the board for one-year terms. There is no limit on the number of terms an officer may serve if he or she is a director and continues to be elected to an officer position by the board. All other officers of the corporation will serve at the pleasure of the board without fixed term, subject to the rights of any officer under any employment contract.

4. Removal of Officers. Without prejudice to the rights of any officer under an employment contract, the board may remove any officer with or without cause.

5. Responsibilities of Board Chair or Co-Chairs. The chair (or co-chairs) will preside at board meetings and will exercise and perform such other powers and duties as the board may assign from time to time. If there is no president, the chair of the board will also serve as the chief executive officer and will have the powers and duties of the president of the corporation set forth in these bylaws.

6. Responsibilities of Vice-Chair, if any. If a vice-chair is elected, he/she shall assist the Chair as requested and shall serve as the chair in the chair's absence.

7. Responsibilities of President. Subject to such supervisory powers as the board may give to the chair (or co-chairs) of the board, if any, and subject to the control of the board, the president will be the general manager of the corporation and will supervise, direct, and control the corporation's activities, affairs, and officers. The president will have such other powers and duties as the board or the bylaws may require.

8. Responsibilities of Secretary. The secretary will keep or cause to be kept, at the corporation's principal office or such other place as the president may direct, a book of minutes of all meetings, proceedings, and actions of the board, of committees of the board, and of members' meetings; a copy of the articles of incorporation and bylaws, as amended to date; and a record of the corporation's members, showing each member's name, address, and class of membership. The secretary will give, or cause to be given, notice of all meetings of members, of the board, and of committees of the board that these bylaws require to be given. The secretary will have such other powers and perform such other duties as the board or the bylaws may require.

9. Responsibilities of Treasurer.

D. The treasurer will keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The treasurer will send or cause to be given to the members and directors such financial statements and reports as are required to be given by law, by these bylaws, or by the board. The books of account will be open to inspection by any director at all reasonable times.

E. The treasurer will (1) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the board may designate; (2) disburse the corporation's funds as the board may order; (3) render to the president, chair of the board, if any, and the board, when requested, an account of all transactions as treasurer and of the financial condition of the corporation; and (4) have such other powers and perform such other duties as the board or the bylaws may require.

ARTICLE VII

LIABILITY, INDEMNIFICATION AND INSURANCE

1. Liability. Subject to any limitations contained in the California Corporations Code, there is no monetary liability on the part of, and no cause of action for damages shall arise against, any volunteer director or officer of CRA based on any alleged failure to discharge the person's duties as a volunteer director or officer if the duties are performed in accordance with the standards of conduct provided for in the California Corporations Code.

2. Indemnification.

(a) Right of Indemnity. To the fullest extent permitted by law, this CRA shall indemnify its directors, officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, 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 that Section, and including an action by or in the right of CRA, by reason of the fact that the person is or was a person described in that Section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

(b) Approval of Indemnity. On written request to the board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 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 members shall determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the members present at the meeting shall authorize the indemnification.

3. Insurance. The board shall authorize the purchase and maintenance of an insurance policy or policies or bond on behalf of its directors, officers or employees against any liabilities, other than for violating provisions against self-dealing, incurred by the director, officer or employee in such capacity or arising out of their status as such.

ARTICLE VIII

MISCELLANEOUS

1. Inspection of Records. The members and directors of CRA shall have the right to inspect the records of CRA to the extent and under the circumstances provided by the California Nonprofit Mutual Benefit Corporation Law and as determined specifically by the board.
2. Fiscal Year. Unless changed by the board, the fiscal year of CRA shall begin on January 1 and end on December 31.
3. Conflicts of Interest. board members and committee members must actively seek to avoid situations and activities that create an actual or potential conflict between the individual's personal interests and the interests of CRA. If a board member or committee member believes that a conflict exists relative to a particular issue being considered by the board or any committee, he or she shall disclose the conflict to the board or committee, as appropriate, and abstain from discussion or voting on the issue.

For purposes of this section and these bylaws, a "conflict of interest" means a situation in which a board or committee member is part of a discussion or decision by the board or a committee which has the potential to financially benefit that board or committee member or a member of that board or committee member's immediate family. "Immediate family" means, spouse or same-sex/domestic partner, children, parents, siblings, parents-in-law, or siblings-in-law.

Both the fact and the appearance of a conflict of interest should be avoided. board members or committee members who are unsure as to whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss it with the Chair, who will determine whether disclosure to the board or the assistance of legal counsel is required.

4. Intellectual Property. All intellectual property prepared or purchased by or on behalf of CRA, including but not limited to the CRA name, educational, promotional, and training materials, newsletters, contracts, logos, service marks, membership lists, contributor lists, and research results, shall be the exclusive property of CRA and directors, members, and contractors/employees agree to deal with it as such. Directors, members and contractors/employees agree that they will not sell, transfer, publish, modify, distribute, or use for their own purposes, the intellectual property belonging to CRA without prior approval of the board memorialized in a writing signed by the Chair.
5. Required Disclosures and Reporting. CRA shall comply with the disclosure and reporting requirements of federal and state agencies to which it is subject.
6. Construction; Definitions. Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Mutual

Benefit Corporation Law will govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

ARTICLE IX

AMENDMENTS

1. Amendment to Bylaws. These bylaws may be initially adopted, amended, or repealed and new bylaws adopted, by a majority vote of the board at any properly called and noticed meeting where a quorum is present.

However, approval of the members is also required for any amendment or for new bylaws that would:

- (a) Materially and adversely affect the members’ rights as to voting or dissolution;
- (b) Effect an exchange, reclassification, or cancellation of all or part of the memberships;
- (c) Authorize a new class of membership;
- (d) Change the number of authorized directors;
- (e) Change from a fixed number of directors to a variable number of directors, or vice versa;
- (f) Increase or extend the terms of directors;
- (g) Allow any director to hold office by designation or selection rather than by election by the members;
- (h) Increase the quorum for members’ meetings; or
- (i) Repeal, restrict, create, expand, or otherwise change proxy rights.

All proposed bylaw amendments or new bylaws must be sent to all directors and/or members eligible to vote on such amendments or new bylaws at least ten (10) days prior to the meeting at which the amendments or new bylaws will be discussed and voted on.

ARTICLE X

DISSOLUTION

1. Voluntary Dissolution. CRA may be voluntarily dissolved at any time by a majority vote of the voting members at any properly called meeting where a quorum is present. If the voting members approve the dissolution, the board shall promptly cease operations and proceed to wind up and dissolve CRA.
2. Remaining Assets. Upon the dissolution of CRA, all debts thereof shall be paid and its affairs settled, and all remaining assets shall be distributed as determined at the time of dissolution by the CRA board in its sole discretion, so long as the distribution is not inconsistent with law.

**CERTIFICATE OF SECRETARY
OF
CALIFORNIA RETAILERS ASSOCIATION**

I certify that I am the duly elected and acting Secretary of the CALIFORNIA RETAILERS ASSOCIATION, a California Nonprofit Mutual Benefit Corporation; that the above Bylaws, consisting of 22 typewritten pages including this page, are the Bylaws of CRA as approved by the Board of Directors on January 10, 2018 and by the membership on June 21, 2018; and that these Bylaws have not been amended since that date.

Executed on the _____ day of _____, 2018, at
_____ (city), _____ (state).

Jennifer Kurrie, Board Secretary