

The San Francisco Builders' Exchange

Bylaws

Revised May 20, 2020

BYLAWS OF
THE SAN FRANCISCO BUILDERS' EXCHANGE
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION

ARTICLE I
Name and Location

SECTION 1. Name. The name of this corporation shall be "THE SAN FRANCISCO BUILDERS' EXCHANGE," hereafter referred to in these Bylaws as the "Exchange."

SECTION 2. Principal Office. The principal office of the Exchange shall be in the City and County of San Francisco, State of California, and is currently located at 850 South Van Ness Avenue. The directors may change the principal office from one location to another and may establish branch or subordinate offices at any place where the corporation is qualified to conduct its activities.

ARTICLE II
Corporate Objectives and Purposes

The Exchange is a nonprofit mutual benefit corporation governed under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law, including the following:

- A. To join in one organization all reputable persons, firms, partnerships and corporations engaged in contracting, manufacturing, merchandising or other business related to the building industry.
- B. To establish and maintain liaison among members of the Exchange for purposes of information, education and mutual benefits.
- C. To provide (either by lease or purchase), furnish and maintain suitable quarters for the use of Exchange members, for meeting rooms, offices and other legitimate business purposes as described in the members' leases.
- D. To observe legislative matters at the local, state and federal levels, and to assist in promoting laws and regulations that benefit the construction industry and the public.
- E. To cooperate with other organizations within and segments of the building industry in pursuing common goals for the betterment of the industry.

ARTICLE III
Dedication of Assets

The properties and assets of the Exchange are dedicated to the objectives and purposes of the corporation. No part of the net earnings, properties or assets of the corporation shall inure to the benefit of any private person, individual, member or director, except on liquidation or dissolution.

ARTICLE IV
Term of Existence / Voluntary Dissolution

The term of existence of this Exchange shall be perpetual from and after filing of the Certificate of Amendment to Articles of Incorporation in the office of the Secretary of State of the State of California on May 8, 1940. Any proceedings for voluntary dissolution of the Exchange shall be in accord with the Corporations Code section 8610(a), and only (1) by approval of a majority of all members, or (2) by approval of the Board and approval of the members.

ARTICLE V
Memberships

SECTION 1. Classes and Qualifications of Members. The Exchange shall have three (3) classes of membership: Regular Members, Online Members, and Retired Members. Any corporation, partnership or sole proprietorship of good repute engaged in a business connected with the building and construction industry and dedicated to the purposes of this corporation shall be eligible for a Regular or Online Membership, upon approval by the Board of Directors of a membership application and the payment of such fees as may be fixed by the Board. An individual who has been a member in good standing for at least twenty-five (25) years (either personally or as the designated representative of an organizational member) and who has retired from the construction business shall be eligible to become a Retired Member, upon application to and approval by the Board.

SECTION 2. Requirements of Membership. Regular, Online, and Retired Members must pay the required dues, fees and assessments in accordance with these Bylaws, and must comply with the rules and regulations of the Exchange. No member may, during the time of its membership, be employed by or financially interested, either directly or indirectly, in a business which is the same or substantially similar to that conducted by the Exchange, or which competes directly with the Exchange. Violation of any provision of this Section is grounds for immediate suspension of membership rights, including the right to use the plan room. Persistent violation of these requirements of membership will result in termination of the membership.

SECTION 3. SECTION 3. Rights of Members. Regular, Online, and Retired Members who have paid the required dues, fees and assessments in accordance with these Bylaws and who are not suspended shall be members in good standing. Members in good standing shall have the right to vote, as set forth in Article X, Section 6 of these Bylaws, on the election of directors, on the disposition of all or substantially all of the assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, members in good standing shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law. If the corporation is dissolved, those members shall receive a pro rata distribution of all assets, exclusive of those held in charitable trust, remaining after payment or provision for payment of the obligations and debts of the corporation and provision for any other payment required under applicable law.

The Exchange may refer to persons or entities associated with it as "members" in the term "Service Members," even though those persons or entities are not voting

members as set forth in Article X, Section 6 of these Bylaws, but no such reference shall constitute anyone as a member within the meaning of Corporations Code section 5056. References in these Bylaws to Regular, Online, and Retired Members, or to "members," except in the term "Service Members," are not references to such associated persons. References in these Bylaws to "Service Members," are references to such associated persons, as so provided under Corporations Code section 7333(a). (Service Membership is generally intended for those seeking access to the San Francisco Builders Exchange Online Plan Service through their membership in other Builders Exchanges or Associations (Crossover Users).

The holder of each Regular, and Retired Membership which has been in good standing for at least five (5) consecutive years prior to election shall be eligible to hold office as a director and shall, subject to the requirements of membership as set forth in these Bylaws, be entitled to use of the plan room.

Regular Members in good standing may have up to two (2) representatives on the floor of the Exchange during regular business hours. The Board may, upon written request, allow a greater number of representatives on such terms as it deems appropriate in its sole discretion, including payment of additional fees. Each representative of a member must be accredited as an agent by and of his or her respective employer. The member thereby assumes full responsibility for the representative's acts and deportment in and about the Exchange, and the acts of the representative will be deemed the acts of the employer, unless and until prior written notice to the contrary is received by the Exchange.

SECTION 4. Applications for Membership. An application for a Regular, Online, or Retired membership shall be in the form and manner prescribed by the Board of Directors, and accompanied by the initiation fee then in effect. All membership applications will be posted in a conspicuous place at the principal office of the Exchange. Applications shall be referred to the Membership Committee, which shall investigate the character and business standing of the applicant and report thereon to the Board of Directors. The Board has authority to approve or disapprove membership applications, in its sole discretion. If an application is denied, all fees paid will be refunded.

SECTION 5. Membership Held by Organization. A Regular, Online, or Retired Member that is a corporation or partnership shall designate in a writing delivered to the Secretary of the Exchange one (1) natural person to vote on its behalf (and, in the case of Regular Members to be eligible for election to the Board of Directors) as follows: as to a corporate member, the designated representative may be any employee of the corporation designated by the president thereof; as to a partnership member, the designated representative must be a general partner. Organizational members may hold multiple memberships, up to a maximum of three (3). No person employed by a corporation or partnership that is a member shall be eligible to hold an individual voting membership so long as such entity remains a member.

SECTION 6. Dues, Fees and Assessments. Each Regular, Online, and Retired Member must pay all dues, fees and assessments (for extraordinary or emergency expenses) in such amounts, at such time, and on such conditions as may be set or adjusted by the Board of Directors from time to time upon thirty (30) days' notice to the membership. The Board may, in its discretion, set different dues, fees or

assessments for each class of membership, but said amounts shall be equal for all members within each class.

SECTION 7. Distribution of Assets on Dissolution. If the corporation is dissolved, all Regular, Online, and Retired Members shall receive a pro rata distribution of all assets, exclusive of those held in charitable trust, remaining after payment or provision for payment of the obligations and debts of the Exchange and provision for any other payment required under applicable law. Members will participate in the distribution of assets on dissolution according to the following vesting schedule:

1. Five (5) years; 25% vested.
2. Ten (10) years; 50% vested.
3. Fifteen (15) years; 75% vested.
4. Twenty (20) years; 100% vested.

SECTION 8. Certificates of Membership. The Exchange shall not issue membership certificates but may issue identity cards or similar devices to members that serve to identify members qualifying to use the facilities or services of the corporation.

ARTICLE VI Board of Directors

SECTION 1. Powers. The activities and affairs of the Exchange shall be managed, and all corporate power shall be exercised, by or under the direction of the Board of Directors. The Board shall have the following specific powers, subject to such limitations as may be prescribed by applicable law or these Bylaws:

- A. To elect all of the corporation's officers, consisting of a President, Vice President, Secretary and Chief Financial Officer, at the first meeting of the board following the annual election of directors by the members, and to remove and replace any such officer(s) at the Board's discretion.
- B. To appoint and remove all employees of the Exchange, prescribe powers and duties for them, and fix their compensation.
- C. To control the property and funds of the Exchange and to borrow money and incur indebtedness on behalf of the corporation, provided that the Board shall not expend, hypothecate or encumber, in the aggregate, more than seventy-five thousand dollars (\$75,000) of the funds or other property of the Exchange during any fiscal year without previous authorization by a majority vote of the members of the Exchange present at a special meeting called for that purpose, except to defray ordinary operating expenses of the Exchange, for minor purchases, or in the event of an emergency. All expenditures must be approved or ratified by the Board. Any check, note or other evidence of indebtedness must be signed by any two (2) of the following persons: the President, the Chief Financial Officer, and two (2) other previously authorized Board members.
- D. To control the discipline and welfare of the membership.

Directors may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by Board resolution to be just and reasonable as to the corporation at the time the resolution is adopted.

SECTION 2. Number of Directors, Term. The authorized number of directors shall be eleven (11). Each director shall hold office for two (2) years and until a successor has been designated and qualified.

SECTION 3. Qualifications of Directors. Regular Members (and, in the case of organizational members, their designated representative), and Retired Members who have been in good standing (and/or have served as the designated representative of such member(s) regardless of class of membership, for a period totaling at least five (5) consecutive years shall be qualified to serve as a director; however, the Board of Directors may waive this qualification requirement in its sole discretion, upon an affirmative vote of a majority of the directors at any directors' meeting for which a quorum exists. In the case of organizational members, a change in corporate name or corporate structure shall not affect the eligibility of the designated representative to continue to serve as director, provided that such eligibility existed at the time of that director's election. No more than two (2) members (or organizational representatives) engaged in the same trade, craft or profession (as defined by the Board of Directors in its sole discretion) shall be eligible for nomination at any annual election.

SECTION 4. Nomination and Election. Directors shall be elected at a regular meeting of the members to be held on the first Monday in March of each year (the Elections Meeting). The number of directors to be elected at each such Elections Meeting shall be as required to fill the positions of directors whose terms are expiring, plus any vacancies. At least two (2) weeks prior to February 1 of each year, the Board of Directors shall appoint a Nominations Committee comprised of three (3) members of the Exchange. The Nominations Committee, in its sole discretion either with or without prior solicitations as to candidacy, shall select qualified candidates for election to the Board, who shall be identified at a special meeting of the members to be held not later than February 1 of each year (the Nominations Meeting). Any member present in person at the Nominations Meeting may place additional names in nomination. Such nominations require a second from those in attendance at the Nominations Meeting and are subject to the acceptance of the nominated member during the special meeting. The use of proxies at the Nominations Meeting is expressly prohibited. Any member nominated to run for the Board of Directors must be present at the Nominations Meeting in order for their name to appear on the election ballot; however, this requirement that nominees must be present at the Nominations Meeting shall not apply to sitting directors who intend to stand for re-election, whose names shall automatically be placed on the ballot. It shall be the responsibility of sitting directors to inform the Nominations Committee of their intention to stand for re-election.

The Nominations Committee shall promptly notify in writing each nominee of their nomination for director. The Nominations Committee shall prepare a complete list of all qualified candidates who accept nomination, which shall be posted conspicuously in the office of the Exchange for at least fifteen (15) days immediately preceding the Elections Meeting. Not later than fifteen (15) days before the Elections Meeting, ballots shall be delivered either personally or by first class mail or other means of written communication to each Regular, Associate, and Retired member, addressed to the member at the address of the member appearing on the books of the Exchange or given by the member to the corporation for purpose of notice, together with a postage-prepaid return envelope. The ballots shall indicate the number of responses needed to meet the quorum requirement for member meetings, shall list

the names of all nominees in alphabetical order, and shall specify the number of directors to be elected and that a member may vote for no more candidates than said number. Ballots shall further instruct members to place the ballot in the return envelope, to sign their name on the outside of said envelope, and either to mail the ballot to the Exchange for receipt prior to the Elections Meeting or to place the ballot in the ballot box located at the Exchange prior to the call to order of the meeting. All written ballots shall be filed with the Secretary of the Exchange and maintained in the corporate records for at least three (3) years.

The President shall appoint three (3) inspectors of election to act at the Elections Meeting. The inspectors of election shall determine the number of voting memberships outstanding, the number represented at the Elections Meeting, the existence of a quorum, and the authenticity, validity and effect of received ballots or proxies; shall hear and determine all challenges and questions in any way arising in connection with the right to vote; and shall count and tabulate all votes and determine the result. The number of nominees corresponding to the number of directors to be elected receiving the highest vote shall be elected for the ensuing term. In the event of a tie vote between candidates receiving the least number of votes for the last board position to be filled, the winner shall be determined by chance (flip of a coin) among themselves.

SECTION 5. Vacancies on the Board. A vacancy on the Board shall arise upon the occurrence of the following: (a) the death or resignation of any director; (b) the declaration by resolution of the Board of a vacancy in the office of a director (i) who fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office, (ii) who has been declared of unsound mind by an order of court or convicted of a felony, or (iii) if the corporation holds assets in a charitable trust, who has been found by a final order or judgment of any court to have breached a duty arising under Section 7238 of the California Corporation Code; (c) the vote of the members to remove any Director; or (d) the failure of the members, at any meeting at which any directors are to be elected, to elect the number of Directors required to be elected at that meeting. Vacancies on the Board (including vacancies occurring by reason of removal by court order) 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 pursuant to notice or authorized waiver of notice; or (c) a sole remaining Director. If a majority of the Directors fail to convene for three (3) successive regular meetings, the President of the Exchange may declare their offices vacant and fill same by appointment. The members may elect a director at any time to fill any vacancy not filled by the Directors within a reasonable period of time (which shall not be less than thirty (30) days)). A Director appointed or elected under this section shall hold office until expiration of the term of the replaced director. Any Board member that misses more than three (3) Board Meetings in any 12-month period, can be removed by the Board at the Board's discretion.

SECTION 6. Directors' Meetings. The Board shall hold a regular meeting for purposes of organization, election of officers, and the transaction of other business on such date and at such time after the annual election of directors as specified by the board prior to the election. Notice of this meeting is not required. Other regular meetings of the Board may be held without notice at such time and place as the board may fix from time to time. Special meetings for any purpose may be called at any time by

the President. Any meeting may be held by telephone conference call, provided that (a) all persons participating in the meeting are able to hear one another; and (b) the corporation implements some means of verifying that a person participating in the meeting is a director or other person entitled to participate and that all actions or votes by the board are taken or cast only by the directors.

SECTION 7. Notice of Special Meetings. Notice of the time and place of special meetings of the Board shall be given to each Director, either by first-class mail at least four (4) days before the date set for the meeting; or delivered personally, by telephone (including a voice messaging system), facsimile or electronic mail at least forty-eight (48) hours before the time set for the meeting. Notwithstanding the foregoing, 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, or who attends the meeting without protesting, before or at the commencement of the meeting, the lack of notice to him or her. The notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the board. All such waivers, consents and approvals shall be filed with the corporate records or made part of the minutes of the meeting.

SECTION 8. Action by Unanimous Written Consent. Any action that the board is required or permitted to take may be taken without a meeting if all members of the board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the board. All such consents shall be filed with the minutes of the proceedings of the Board.

SECTION 9. Quorum. Six (6) Directors shall constitute a quorum for the transaction of business by the Board. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to such greater number or otherwise more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law applicable to (a) approval of contracts or transactions between the corporation and one or more directors or between the corporation and any entity in which a Director has a material financial interest; (b) creation of and appointments to committees of the board having the authority 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 directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Article VII Officers

SECTION 1. Election and Tenure. The officers of the corporation shall be a President, a Vice President, a Secretary and a Chief Financial Officer, who shall be elected by the Board of Directors at its first meeting following the annual election of directors, for a term of one (1) year. No President may consecutively serve more than one (1) term as such.

SECTION 2. Duties of Officers.

- A. The President of the Exchange shall preside at meetings of the Board and of the members. Subject to the control of the Board, the President shall

- supervise, direct and control the corporation's activities, affairs, officers and employees. The President may co-sign all checks, promissory notes and other evidence of indebtedness, and all agreements to which the Exchange is a party.
- B. In the absence or disability of the President, the Vice President shall perform all duties of the President.
 - C. The Secretary shall keep at the principal office of the Exchange: (i) a book of minutes of all meetings, proceedings and actions of the Board and committees of the Board, and of members' meetings; (ii) a copy of the Articles of Incorporation and Bylaws, as amended to date; and (iii) a record of the members showing each member's name, address, telephone number and class of membership, which shall be revised at least annually, made available through the Exchange administrative offices. The Secretary shall give, or cause to be given, notice of all meetings of members, of the board and of committees of the Board required by these Bylaws. The Secretary may co-sign all checks, promissory notes and other evidence of indebtedness, and all agreements to which the Exchange is a party. The Secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the board may prescribe.
 - D. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the properties and transactions of the Exchange. The Chief Financial Officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Exchange with such depositories as the Board may designate; shall disburse the corporation's funds as the Board may order; shall render to the President and to the Board, when requested, an account of all transactions and of the financial condition of the Exchange; and shall provide a report of the financial condition to the members at the annual meeting. The Chief Financial Officer may co-sign all checks, promissory notes and other evidence of indebtedness, and shall have such other powers and perform such other duties as the board may prescribe. If required by the Board, the Chief Financial Officer shall give the Exchange a bond for the faithful performance of the duties of the office, with the premium to be paid by the Exchange.

SECTION 3. Removal, Resignation of Officers. An officer may be removed with or without cause by the Board. Any officer may resign at any time by giving written notice to the corporation. A vacancy in any office because of resignation, removal, disqualification, death or any other cause shall be filled by the Board within a reasonable period.

Article VIII Committees

SECTION 1. Advisory Committees. The President, upon assuming office, shall appoint standing advisory committees for Finance, Entertainment, Grievance, Membership, Building, Bylaws and Insurance, as specified below, and any other committee that may be deemed necessary. The President shall be entitled, but not obligated, to attend and to vote at any advisory committee meeting as an Ex Officio member. The committees appointed by the President shall report and make recommendations to the Board of Directors, but may not exercise the authority of the Board.

- A. The Finance Committee shall consist of the Chief Financial Officer, who shall be the chair, and such other number of directors or members as required. The Finance Committee shall prepare a budget of prospective receipts and expenditures for the ensuing year, to be presented for approval at the second regular meeting of the Board of Directors and shall have such other duties as the Board or the President may prescribe.
- B. The Entertainment Committee shall consist of at least one (1) Director and such other number of Directors or members as required. The Entertainment Committee shall arrange for periodic social activities to promote good fellowship among the members and shall have such other duties as the Board or the President may prescribe.
- C. The Grievance Committee shall consist of at least one (1) Director and such other number of Directors or members as required. The Grievance Committee shall foster the peaceable and equitable settlement of differences between members of the Exchange, shall assure that the welfare of the members and tenants is observed, and shall have such other duties as the Board or the President may prescribe.
- D. The Membership Committee shall consist of at least one (1) Director and such other number of Directors or members as required. The Membership Committee shall receive and report on all applications for membership, shall undertake means for increasing the desirable membership of the Exchange, and shall have such other duties as the board or the President may prescribe.
- E. The Building Committee shall consist of at least one (1) Director and such other number of Directors or members as required. The Building Committee shall have general supervision over the rooms, offices and grounds of the Exchange, and shall have such other duties as the Board or the President may prescribe.
- F. The Bylaws Committee shall consist of at least one (1) Director and such other number of Directors or members as required. The Bylaws Committee shall consider and advise with respect to the Bylaws and the rules of the Exchange and shall have such other duties as the board or the President may prescribe.
- G. The Insurance Committee shall consist of two (2) members of the Workers Compensation Group Program and one (1) member/trustee of the Medical/Dental group, or otherwise as required. The Insurance Committee shall attend all meetings as required by said groups and report to the Board thereon and shall have such other duties as the Board or the President may prescribe. In the event attendance at a meeting requires travel, committee members may be reimbursed for all reasonable related expenses, subject to approval of the President.

SECTION 2. Meetings and Action of Committees. Meetings and actions of the advisory committees shall be governed by, held and taken in accordance with such procedures as may be proscribed by resolution of the Board or, if there is none, by the President or the particular committee.

Article IX Indemnification

SECTION 1. Right of Indemnity. To the fullest extent permitted by law, this corporation 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" (including judgments, fines and settlements) actually and reasonably incurred by them in connection with any "proceeding," as those terms are used in section 7237, by reason of the fact that the person is or was a person described in that section.

SECTION 2. 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 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 in person or by proxy shall authorize indemnification.

SECTION 3. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by those sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

SECTION 4. Insurance. The Exchange shall have the right to purchase and maintain insurance to the fullest extent permitted by law on behalf of its officers, directors, employees or other agents against liability asserted against or incurred by any person in such capacity or arising out of said person's status as such.

ARTICLE X Meetings of the Members

SECTION 1. Regular, Annual Meetings. A regular meeting of the members for the election of Directors shall be held on the first Monday in March of each year. An annual members' meeting shall be held during May of each year, on such specific date and at such time as determined by the Board and specified in the notice of meeting. At the annual meeting, financial and other reports will be provided to the members and any other proper business may be transacted, subject to sections 3 and 5 below.

SECTION 2. Special Meetings. A special meeting of the general membership may be called for any lawful purpose at any time by the Board of Directors or the President of the Exchange, or at the written request of at least five (5) percent of the voting members. A call for a special meeting shall specify the nature of the business proposed to be transacted and that no other business may be conducted at the meeting. A request submitted by five (5) percent or more of the voting members must be in writing and delivered personally or by first class mail or facsimile to the Secretary of the Exchange. The Secretary shall then promptly give notice to the members entitled to vote that a meeting will be held not less than thirty-five (35) no

more than ninety (90) days after receipt of the request, at a time and date to be determined by the Board. If said notice specifies the date and time of the meeting and is delivered personally or by first class mail or facsimile and addressed to the address or facsimile number of record for each voting member, it will be considered to satisfy and to be in lieu of the notice requirement set forth in section 3 immediately below. Nothing in this section shall limit the date and time at which a meeting of members may be held when it is called by the Board or the President.

SECTION 3. Notice of Meeting. Written notice of all meetings must be given in writing to each member entitled to vote at least ten (10) but no more than ninety (90) days before the meeting date. Notice must be delivered either personally or by first class mail or other means of written communication, addressed to the member at the address of the member appearing on the books of the Exchange or given by the member to the corporation for purpose of notice. The notice shall specify the place, date and hour of the meeting and the general nature of the business to be transacted, and that no other business may be transacted. 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 and, if so executed, shall be prima facie evidence of the giving of the notice and shall be filed and maintained in the corporation's minute book.

SECTION 4. Place of Meetings. Meetings of the members shall be held at the principal place of business of the Exchange, or at such other location within San Francisco, California, as may be designated by the Board and specified in the notice of meeting.

SECTION 5. Quorum. A quorum for the transaction of business at any meeting of the members of the Exchange shall consist of not less than ten (10) voting members in good standing. However, a quorum for purposes of any meeting wherein a vote to dissolve the corporation is taken shall consist of not less than one-half (1/2) of the total number of voting members in good standing. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members. 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.

SECTION 6. Eligibility to Vote. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, members entitled to vote at any meeting of members shall be all Regular, Online, Associate, and Retired members in good standing as of the record date. The record date for members entitled to notice of any meeting and to vote at a meeting shall be set by the Board for a date not more than ninety (90) nor less than ten (10) days before the meeting.

SECTION 7. Waiver of Notice or Consent. The transactions of any members' meeting, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present either in person or by proxy, and (b) either before or after the meeting, each member entitled to vote, who is not present in person or by proxy, signs a waiver of notice, a consent to the holding of the meeting, or an approval of the minutes. The waiver of notice, consent or approval shall state the general nature of the business to be transacted. All such waivers, consents, or approvals shall be filed with the corporate records or

made a part of the minutes. A member's attendance at a meeting shall 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. However, 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.

SECTION 8. Action By Unanimous Written Consent. Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the members.

SECTION 9. Proxies. Each member entitled to vote shall have the right to do so either in person or by agent authorized by a written proxy, signed by the member and filed with the Secretary of the Exchange.

ARTICLE XI Transfer, Suspension and Termination of Memberships

SECTION 1. Voluntary Withdrawal from Membership. Any member may resign from membership by filing written notice to that effect with the business office of the Exchange. Notwithstanding a withdrawal, the member shall remain liable for all charges incurred for services or benefits rendered, as well as all outstanding dues, fees, assessments or rent.

SECTION 2. Restriction on Transfer of Membership; Termination Upon Death or Dissolution. Membership privileges in the Exchange are restricted, personal and exclusive, and may not be transferred except as provided in this section. In case of the death of a Regular or Online member, or the dissolution, merger or reorganization of a member which is a corporation or partnership, the membership may be transferred or assigned only to a legal successor to the member's business, who must first make application therefor in accordance with Article V, section 4 above, within sixty (60) days. If the successor's application for membership is accepted by the Board of Directors, the initiation fee requirement shall be waived. Unless transferred pursuant to this section, all membership rights and obligations held by a natural person or entity shall cease upon death or dissolution, respectively.

SECTION 3. Suspension of Membership. Subject to compliance by the Exchange with section 5 below, a member may be suspended based on the good faith determination by the Board of Directors that the member has violated one or more rules of the Exchange, including these Bylaws, has failed to pay required dues, fees, or assessments, has failed to pay rent due under any lease agreement with the Exchange, or has engaged in conduct materially prejudicial to the purposes and interests of the Exchange. The Board shall specify the period of suspension and any condition(s) to be satisfied in order for the membership to be restored to good standing.

SECTION 4. Termination of Membership for Cause. Subject to compliance by the Exchange with section 5 below, a member may be expelled upon occurrence of the following: (a) the member's failure or refusal to pay accrued dues, fees, assessments

or rent within sixty (60) days after they become due and payable; (b) the member's failure or refusal to comply fully with the conditions specified by the Board of Directors for reinstatement following suspension of a membership in accordance with section 3 above; (c) a good faith determination by a vote of eight (8) members of the board that the member has failed in a material and serious degree to observe the rules of conduct of the Exchange, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Exchange; or (d) commission by the member of any illegal act including, without limitation, violation of the State Contractors Act if a determination of the Contractors State License Board to that effect has become final.

SECTION 5. Procedures for Suspension or Termination of Membership. If grounds appear to exist for suspension or expulsion of a member pursuant to sections 3 or 4 above, the Exchange shall follow the procedures set forth below:

- A. The member shall be given fifteen (15) days' prior written notice of the proposed suspension or expulsion and the reasons therefor. Notice may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be sent by first-class or registered mail to the member's address as shown on the records of the Exchange.
- B. 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 before, or the written statement considered by, the Board of Directors at a regular or specially called meeting thereof.
- C. 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.
- D. Any action challenging a suspension of or expulsion from membership, or other sanction, including one based on a claim alleging defective notice, must be commenced within one (1) year after the effective date of the expulsion, suspension or sanction.

SECTION 6. Member Remains Liable for Dues. A member may not exercise any of the rights or privileges of membership during the period of suspension, but shall remain liable for all dues, fees, assessments and rent accruing during that time, which must be paid in full (in addition to any other arrearage) prior to any reinstatement. In the event of a member's resignation or termination, payment of all accrued, unpaid dues, fees, assessments and rent shall be a condition to any application for new membership, in addition to those otherwise provided under these Bylaws.

SECTION 7. Reversion of Rights. Upon the resignation or termination of a membership from any cause whatsoever, all of the interest of the member in the Exchange shall cease and shall be vested absolutely in the corporation.

Article XII Amendments

SECTION 1. Amendment by Board. Subject to the rights of members under section 3, below, the board may adopt, amend or repeal Bylaws unless the action would: (a) materially and adversely affect the members' rights as to voting, dissolution,

redemption or transfer; (b) effect an exchange, reclassification or cancellation of all or part of the memberships; or (c) authorize a new class of membership.

SECTION 2. Members' Approval Required. Without the approval of the members, the board may not adopt, amend or repeal any Bylaw that would: (a) fix or change the authorized number of directors; (b) increase or extend the terms of directors; (c) allow any director to hold office by designation or selection rather than by election by members; (d) increase the quorum for members' meetings; (e) repeal, restrict, create, expand or otherwise change proxy rights; or (f) authorize cumulative voting.

SECTION 3. Amendment by Members. New Bylaws may be adopted or these Bylaws may be amended or repealed by approval of the members, provided, however, that any such adoption, amendment or repeal also requires approval by the members of a class if that action would: (a) materially and adversely affect the right, privileges, preferences, restrictions or conditions of that class as to voting, dissolution, redemption or transfer in a manner different than the action affects another class; (b) materially and adversely affect that class as to voting, dissolution, redemption or transfer by changing the rights, privileges, preferences, restrictions or conditions of another class; (c) effect an exchange, reclassification or cancellation of all or part of the memberships of that class; or (d) authorize a new class of memberships.

Article XIII Corporate Reports, Seal

SECTION 1. Annual Report. An annual report shall be prepared within one hundred twenty (120) days after the end of the fiscal year. That report shall contain the following information in appropriate detail:

- A. A balance sheet as of the end of the fiscal year, and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by the certificate of an authorized officer of the corporation that they were prepared without audit from the books and records of the corporation.
- B. A statement of the place where the names and addresses of current members are located.
- C. Any information that is required by Section 2 below.

The corporation shall post the annual report at the principal office of the Exchange and shall notify each member yearly of the member's right to receive a copy. On written request by a member, the board shall promptly cause the most recent annual report to be sent to the requesting member.

SECTION 2. Annual Statement of Certain Transactions and Indemnifications. The Exchange shall prepare and mail annually to all members a statement describing any transactions described in Section 8322 of the California Corporations Code, consisting generally of the following: (a) one (1) or more transactions in which the corporation was a party and any officer or director had a direct or indirect material financial interest, involving more than \$50,000, singly or in the aggregate, during the previous fiscal year; and (b) any loans, guaranties, indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director.

SECTION 3. Corporate Seal. The Board of Directors shall adopt a corporate seal, having on its circumference the words "THE SAN FRANCISCO BUILDERS' EXCHANGE, SAN FRANCISCO, CALIFORNIA," and outside the circle the words "Incorporated July 5, 1890."

Article XIV
Miscellaneous

SECTION 1. Construction. Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws.

SECTION 2. Robert's Rules of Order. The Robert's Rules of Order, as may be revised from time to time, shall govern meetings of the board and of the members when not in conflict with these Bylaws, the Articles of Incorporation or applicable law.

CERTIFICATE OF SECRETARY
OF
THE SAN FRANCISCO BUILDERS' EXCHANGE,
a California Nonprofit Corporation

I hereby certify that I am the duly elected and acting Secretary of said corporation and that the foregoing Bylaws, comprising ___ pages, constitute the new and amended Bylaws of said corporation as duly adopted at a meeting of the membership there of held on May 20, 2020.

Dated: May 20, 2020

DAVID LARSON

Secretary

05/20/20