

BYLAWS  
OF  
INTERNATIONAL SPROUT GROWERS ASSOCIATION  
A NON-PROFIT CORPORATION ESTABLISHED PURSUANT TO  
NEVADA REVISED STATUTES NRS 81.410 ON JUNE 3, 2013  
(REVISED APRIL 29 2016)

ARTICLE I

Offices

(1) Registered Office and Registered Agent: The registered office of the Corporation shall be located in the State of Nevada at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office.

(2) Other Offices: The Corporation may have other offices within or outside the State of Nevada at such place or places as the Board of Directors may from time to time determine.

ARTICLE II

Members

(1) Number and Class: The Corporation shall have three classes of members: Growers, Suppliers and Affiliates.

(a) Qualifications: Grower members shall be entities materially engaged in the business of growing sprouts for sale to others, supportive of the goals of the Corporation, in compliance with all requirements and approved by the Board for membership with the advice of the Membership Committee. Supplier members shall be entities materially engaged in the business of providing supplies for the business of growing sprouts, supportive of the goals of the Corporation, in compliance with all requirements and approved by the Board for membership with the advice of the Membership Committee. Affiliate members shall be entities or persons materially engaged in activities relevant to the business of growing sprouts, and/or supportive of the purpose of the Corporation.

(b) Rights & Privileges: Only Grower and Supplier members shall have the right to vote and hold a position on the Board of Directors. All members shall have all other rights and privileges of members relevant to their membership class as established by the Board from time to time.

(c) **Dues and Assessments:** The dues and assessments for each classification of membership shall, from time to time, be established by Board resolution.

(d) **Removal:** Any membership may be terminated, with or without cause, by the 75 percent of the majority of the Board of Directors. There shall be no right to appeal such a decision nor shall there be a right to hearing within the organization before such a decision is made.

(e) **Number of Board of Directors:** The number of Board of Directors who will serve will be determined from time to time by the Board of Directors. A quorum will be five.

(f) **Standing of Director:** You must be a member in good standing in order to serve on the Board of Directors.

(g) **Selection:** From time to time the Board of Directors may add non-voting members to assist the Board in activities relevant to the business at hand.

(2) **Disbursement:** The Corporation shall not make any disbursement of income to its members nor will it issue any stock.

### ARTICLE III

#### Members' Meetings

(1) **Meeting Place:** All meetings of the members shall be held at the registered office of the Corporation, or at such other place, either within or without this state, as shall be determined from time to time by the Board of Directors, and the place at which any such meeting shall be held shall be stated in the notice of the meeting.

(2) **Annual Meeting Time:** The annual meeting of the members for the transaction of such business as may properly come before the meeting, shall be held each year at a time and place designated by Board resolution and communicated to the members, in writing, at least thirty (30) days in advance.

(3) **Annual Meeting - Order of Business:** At the annual meeting of members, the order of business shall be as follows:

- (a) Calling the meeting to order.
- (b) Proof of notice of meeting (or filing waiver).
- (c) Reading of minutes of last annual meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of directors.
- (g) Miscellaneous business.

(4) Special Meetings: Special meetings of the members for any purpose may be called at any time by the President or Board of Directors with 48 hours notice.

(5) Notice:

(a) Notice of the time and place of the annual meeting of members and of regular meetings other than annual shall be given by delivering personally or by mailing or emailing, a written or printed notice of the same, at least ten days, and not more than fifty days, prior to the meeting.

(b) At least ten days and not more than fifty days prior to the meeting, written or printed notice of each special meeting of members, stating the place, day and hour of such meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally, mailed or emailed.

(6) Waiver of Notice: A waiver of any notice required to be given any member, signed by the person or persons entitled to such notice, whether before or after the time stated therein for the meeting, shall be equivalent to the giving of such notice.

(7) Voting: Except as may otherwise be provided in these bylaws or the Corporation's Articles of Incorporation, each member shall be entitled to one vote on each matter submitted to a vote of members. A member may vote in person or by proxy executed in writing by the member or his duly authorized attorney-in-fact.

(8) Quorum: Except as otherwise required by law, a quorum at any annual or special meeting of members shall consist of members holding one-third of the votes entitled to be cast, represented in person or by proxy. The vote of the majority of the votes entitled to be cast by the members present or represented by proxy, at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the members unless a greater proportion is required by law or the Articles of Incorporation.

(9) Proxies: A member may vote in person or by proxy executed in writing by the member. No proxy shall be valid after eleven months from the date of its execution.

(10) Informal Action: Any necessary action required to be taken, or which may be taken, at a meeting, may be taken without a meeting and without prior notice to the entire Board if five or more of the Board Members are present and take a vote by which the majority agree with respect to the subject matter of the vote. Such consent shall have the same force and effect as a unanimous vote of the members.

#### ARTICLE IV

## Board of Directors

(1) Number and Powers:

(a) The management of all the affairs, property and interest of the Corporation shall be vested in a Board of Directors, consisting of [at least] five (5) persons, and not more than eleven (11) persons, who shall be elected by the members for a term of one year, and shall hold office until the next annual election of directors and until their successors are elected and qualified. Directors need not be members or residents of the State of Nevada.

(b) In addition to the powers and authorities by these Bylaws and the Articles of Incorporation expressly conferred upon it, the Board of Directors may exercise, in good faith, all such powers of the Corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances, and do all such lawful acts as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the members.

(c) Any nominating process shall attempt to achieve geographic diversity among the nominees, but no failure in this regard shall work a forfeiture of office.

(2) Change of Number: The number of directors may at any time be increased or decreased by amendment of these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director.

(3) Vacancies: All vacancies in the Board of Directors, whether caused by resignation, death or otherwise, may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill any vacancy shall hold office for the unexpired term of his predecessor and until his successor is elected and qualified.

(4) Removal of Directors: Any director elected by members may be removed, with or without cause, by two-thirds of the votes cast by members having voting rights with regard to the election of any director, represented in person or by proxy at a meeting of members at which a quorum is present.

(5) Regular Meetings: Regular meetings of the Board of Directors, or any committee designated by the Board of Directors, may be held with or without notice at the registered office of the Corporation or at such other place or places, either within or without the State of Nevada as the Board of Directors may from time to time designate. The annual meeting shall be held without notice, immediately after the adjournment of the annual meeting of members.

(6) Special Meetings: Special meetings of the Board of Directors, or any committee designated by the Board of Directors, may be called at any time by the President, or

in his absence or upon written request, by any two directors, to be held at the registered office of the Corporation or at such other place or places as the directors may from time to time designate.

(7) Notice: Notice of all special meetings of the Board of Directors, stating the date, time and place 5 days prior to the date of the meeting, or less, depending on the exigency of the issue. Every effort will be made by the Executive Director to give 24 hours notice at a minimum. Such notice need not specify the business to be transacted at, or the purpose of, the meeting.

(8) Quorum: A majority of the whole Board of Directors shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by law.

(9) Waiver of Notice: Attendance of a director or a committee member at a meeting shall constitute a waiver of notice of such meeting, except where a director or a committee member attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice.

(10) Registering Dissent: A director who is present at a meeting of the Board of Directors at which action on a corporate matter is taken shall be presumed to have assented to such action unless his dissent shall be entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting, before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

(11) Committees: to the extent permitted by law, the Board of Directors may appoint from its members a committee or committees, temporary or permanent, and designate the duties, powers and authorities of such committees.

(12) Remuneration: No stated salary shall be paid directors, as such, for their service, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of such Board; provided, that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

(13) Loans: The Corporation shall not loan money or credit to its directors.

(14) Disbursement: The Corporation shall not make any disbursement of income to any directors.

(15) Action of Directors by Communications: Directors may participate in a meeting of directors by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

## ARTICLE V

### Officers

(1) Designations. The officers of the Corporation shall consist of a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such Assistant Secretaries and Assistant Treasurers as the Board may designate. Any two or more offices may be held by the same person, except the offices of President and Secretary.

The Board of Directors, in its discretion, may elect a Chairman from among its Board members to serve as Chairman of the Board of Directors, who, when present, shall preside at all meetings of the Board of Directors and the members, and who shall have such other powers as the Board may determine. If the Board of Directors elects a Chairman from among its Board members, it shall appoint either the Chairman or the President of the Corporation to be the Chief Executive Officer of the Corporation.

(2) Appointment and Term of Office. The officers of the Corporation shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. Each officer shall hold office until a successor shall have been appointed and qualified, or until such officer's earlier death, resignation or removal.

(3) Powers and Duties. If the Board appoints persons to fill the following positions, such officers shall have the power and duties set forth below:

(a) The President. The President of the Corporation, subject to the direction and control of the Board of Directors, shall have general control and management of the business affairs and policies of the Corporation. The President shall act as liaison from and as spokesman for the Board of Directors. The President shall participate in long-range planning for the Corporation and shall be available to the other officers of the Corporation for consultation. The President shall possess power to sign all certificates, contracts and other instruments of the Corporation. Unless a Chairman of the Board of Directors has been appointed and is present, the Presi-

dent shall preside at all meetings of the members and of the Board of Directors. The President shall perform all such other duties as are incident to the office of President or are properly required by the Board of Directors.

(b) Vice-Presidents. During the absence or disability of the President, the Executive or Senior Vice-Presidents, if any, and the Vice-Presidents, if any, in the order designated by the Board of Directors, shall exercise all the functions of the President. Each Vice-President shall have such powers and discharge such duties as may be assigned from time to time by the Board of Directors.

(c) The Secretary. Shall work with the Executive Director to perform the following duties: issue notices for all meetings, and special meetings of the members and special meetings of the directors which are called by the requisite percentage of members or number of directors, shall keep minutes of all meetings. The Executive Director shall have charge of the seal and the Corporation's books, and shall make such reports and perform such other duties as are incident to the office of Secretary, or are properly required of him or her by the Board of Directors.

(d) The Treasurer. The Treasurer with the Executive Director, have the custody of all moneys and securities of the Corporation and shall keep regular books of account. The Treasurer and/or the Executive Director, shall disburse the funds of the Corporation in payment of the just demands against the Corporation or as may be ordered by the Board of Directors, taking proper vouchers or receipts for such disbursements, and shall render to the Board of Directors from time to time as may be required an account of all transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall perform such other duties incident to his or her office or that are properly required of him or her by the Board of Directors.

(4) Standards of Conduct for Officers. An officer shall discharge such officer's duties under that authority in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances; and in a manner the officer reasonably believes to be in the best interests of the Corporation.

(5) Delegation. In the case of absence or inability to act of any officer of the Corporation and of any person herein authorized to act in such officer's place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer or any director or other person whom it may in its sole discretion select.

(6) Vacancies. Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.

(7) Other Officers. The Board of Directors, or a duly appointed officer to whom such authority has been delegated by Board resolution, may appoint such other officers and agents as it shall deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

(8) Resignation. An officer may resign at any time by delivering notice to the Corporation. Such notice shall be effective when delivered unless the notice specifies a later effective date. Any such resignation shall not affect the Corporation's contract rights, if any, with the officer.

(9) Removal. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

(10) Salaries and Contract Rights. The salaries, if any, of the officers shall be fixed from time to time by the Board of Directors. The appointment of an officer shall not of itself create contract rights.

## ARTICLE VI

### Depositories

The moneys of the Corporation shall be deposited in the name of the Corporation in such bank or banks, trust company or trust companies as the Board of Directors shall designate, and shall be drawn out only by check or other order for payment of money signed by such persons and in such manner as may be determined by resolution of the Board of Directors.

## ARTICLE VII

### Notices

Except as may otherwise be required by law, any notice to any member or director may be delivered personally, or by mail. If mailed, the notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the addressee at his or her last known address in the records of the Corporation, with postage thereon prepaid.

## ARTICLE VIII

### Seal



The seal of the Corporation, if any, shall be in such form and bear such inscription as may be adopted by resolution of the Board of Directors, or by usage of the officers on behalf of the Corporation.

## ARTICLE IX

### PROPOSED INDEMNIFICATION SECTION

#### Indemnification of Officers, Directors, Employees and Agents

(1) Definitions. For purposes of this Article:

(a) Representatives of the Corporation. "Director; Officer; Partner; Trustee; Employee; or Agent;" shall mean an individual who is or was a director, officer, partner, employee or agent; of the Corporation or an individual who was employed or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of said Corporation.

(b) "Liability" means the obligation to pay a judgment, settlement, penalty, or fine.

(c) "Official capacity" means: (I) When used with respect to the above stated positions as representatives of the corporation, will be that relationship undertaken by any of these positions in the regular and usual business of the corporation and on behalf of the Corporation. "Official capacity" does not include service for any other foreign or domestic Corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise.

(f) "Party" includes an individual acting in a representative capacity as defined above, who was, or is threatened to be made a named defendant or respondent in a proceeding.

(g) "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

(2) Any representative as defined above who is involved in litigation by reason of his or her position as a representative of this organization shall be indemnified and held harmless by the organization to the fullest extent authorized by law as it now exists or may subsequently be amended but, in the case of any such amendment, only to the extent that such amendment permits the organization to provide broader indemnification rights.

(a) The Corporation shall indemnify any person who was or is a party to any proceeding, whether or not brought by or in the right of the Corporation, by reason of the fact that such person is or was a representative of the Corporation, against all reasonable expenses incurred by them in connection with the proceeding.

(b) Except as provided in subsection (e) of this Section 2, the Corporation shall indemnify an individual made a party to a proceeding because the individual is or was a representative against liability incurred in the proceeding if:

(I) The Individual acted in good faith; and

(ii) The Individual reasonably believed:

(A) In the case of conduct in the individual's official capacity with the Corporation, that the Individual's conduct was in the Corporation's best interests; and

(B) In all other cases, that the Individual's conduct was at least not opposed to the Corporation's best interests; and

(iii) In the case of any criminal proceeding, the Individual had no reasonable cause to believe the individual's conduct was unlawful.

(d) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the representative did not meet the standard of conduct described in this Section.

(e) The Corporation shall not indemnify a representative under this Section 2:

(I) In connection with a proceeding by or in the right of the Corporation in which the representative was adjudged liable to the Corporation; or

(ii) In connection with any other proceeding charging improper personal benefit to the representative, whether or not involving action in the representative official capacity, in which the representative was adjudged liable on the basis that personal benefit was improperly received by the representative.

(f) Indemnification under this Article, Section 2 in connection with a proceeding by or in the right of the Corporation is limited to reasonable expenses incurred in connection with the proceeding.

(3) Advance for Expenses.

(a) The Corporation shall pay for or reimburse the reasonable expenses incurred by a representative who is a party to a proceeding in advance of final disposition of the

proceeding and in advance of any determination and authorization of indemnification pursuant to Section 5 of this Article if:

(I) The representative furnishes the Corporation a written affirmation of the representative's good faith belief that the representative has met the standard of conduct described in Section 2 of this Article; and

(ii) The representative furnishes the Corporation a written undertaking, executed personally or on the representatives' behalf, to repay the advance if it is ultimately determined that the representative did not meet the standard of conduct.

(b) The undertaking required by subsection (a)(I) of this Section 3 must be an unlimited general obligation of the representative but need not be secured and may be accepted without reference to financial ability to make repayment.

(II) If the Corporation has funds to advance and:

(III) Upon the majority vote of a quorum of the Board of Directors, not at the time parties to the proceeding, that such indemnification and advance of fees is warranted, necessary and financially feasible.

(4) Insurance. The Corporation shall purchase and maintain insurance on behalf of an individual who is or was, a representative of the Corporation and acting as a director, officer, employee, or agent of the Corporation, or who, while a director, officer, employee, or agent of the Corporation, is or was serving at the request of the Corporation.

(5) Indemnification as a Witness. This Article does not limit a Corporation's power to pay or reimburse expenses incurred by a representative in connection with the representatives's appearance as a witness in a proceeding at a time when the director has not been made a named defendant or respondent to the proceeding.

(6) Report to Members. If the Corporation indemnifies or advances expenses to a representative pursuant to this Article in connection with a proceeding by or in the right of the Corporation, the Corporation shall report the indemnification or advance in writing to the members with or before the notice of the next members' meeting.

(7) Validity of Indemnification. A provision addressing the Corporation's indemnification of or advance for expenses to representatives that is contained in these Bylaws, a resolution of its members or Board of Directors, or in a contract or otherwise, is valid only if and to the extent the provision is consistent with the Nonprofit Corporation Act and any other applicable law.

(8) Interpretation. The provisions contained in this Article shall be interpreted and applied to provide indemnification to directors, officers, employees and agents of the Corpo-

ration to the fullest extent allowed by applicable law, as such law may be amended, interpreted and applied from time to time.

(9) Savings Clause. If this Article or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, the Corporation shall nevertheless indemnify each representative as to reasonable expenses and liabilities with respect to any proceeding, whether or not brought by or in the right of the Corporation, to the full extent permitted by any applicable portion of this Article that shall not have been invalidated, or by any other applicable law.

(10) Non-exclusivity of Rights. The right to indemnification under this Article for directors, officers, employees and agents shall not be exclusive of any other right which any person may have, or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, other agreement, vote of members or disinterested directors, insurance policy, principles of common law or equity, or otherwise.

## ARTICLE X

### Books and Records

The Corporation shall keep at its registered office, the secretary's office or its principle office, whether in the state of Nevada or not, the following:

- (1) Current Articles and Bylaws;
- (2) A record of members, including names, addresses, and classes of membership, if any;
- (3) Correct and adequate records of accounts and finances;
- (4) A record of officers' and directors' names and addresses;
- (5) Minutes of the proceedings of the members, the Board of Directors, and any minutes which may be maintained by committees of the Board of Directors. Records may be written, or electronic if capable of being converted to writing.
- (6) The records shall be open at any reasonable time to inspection by any member of more than three months standing or a representative of more than five percent of the membership.

(7) Cost of inspecting or copying shall be borne by such member except for costs for copies of Articles and Bylaws. Any such member must have a purpose for inspection reasonably related to membership interests. Use or sale of members' lists by such member if obtained by inspection is prohibited.

The By-Laws will be available for inspection from any agent from the State of Nevada.

The Court of where the Corporation is registered, or such member's residence, may order inspection and may appoint independent inspectors. Such member shall pay inspection costs unless the court orders otherwise.

#### ARTICLE XI

(1) Only the members shall have the power to make, alter, amend and repeal the Bylaws of the Corporation, by a majority vote of a quorum of the members represented in person or by proxy at any legally called meeting of the members.

(2) The Board of Directors may adopt emergency Bylaws which shall be operative during an emergency in the conduct of business of the Corporation. The emergency Bylaws may make any provision that may be practical and necessary for the circumstances of the emergency.

Adopted by resolution of the Corporation's Board of Directors on  
May 2, 2016.

Signed and dated this \_\_\_\_\_ day of \_\_\_\_\_, 2016

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Bob Sanderson, President

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Ray Jones, Secretary

## AMENDMENTS IN PLACE

### **1<sup>st</sup> Amendment:** Number of Officers – May 8, 2004

**Article IV Section 1a** was amended from allowing five members on the Board of Directors to allow a *minimum* of five members on the Board of Directors.

Article IV Section 1a previously:

- (a) The management of all the affairs, property and interest of the Corporation shall be vested in a Board of Directors, consisting of five (5) persons, who shall be elected by the members for a term of one year, and shall hold office until the next annual election of directors and until their successors are elected and qualified. Directors need not be members or residents of the State of Washington.

Article IV Section 1a as amended:

- (a) The management of all the affairs, property and interest of the Corporation shall be vested in a Board of Directors, consisting of a minimum of five (5) persons, who shall be elected by the members for a term of one year, and shall hold office until the next annual election of directors and until their successors are elected and qualified. Directors need not be members or residents of the State of Washington.

### **2<sup>nd</sup> Amendment:** Number of Officers – May 20, 2009

**Article IV section 1a** was amended to allow *not more than eleven* persons on the Board of Directors.

Article IV Section 1a previously:

- (b) The management of all the affairs, property and interest of the Corporation shall be vested in a Board of Directors, consisting of a minimum of five (5) persons, who shall be elected by the members for a term of one year, and shall hold office until the next annual election of directors and until their successors are elected and qualified.

Directors need not be members or residents of the State of Washington. (NEVADA)  
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Article IV Section 1a as amended:

- (a) The management of all the affairs, property and interest of the Corporation shall be vested in a Board of Directors, consisting of [at least] five (5) persons, and not more than eleven (11) persons, who shall be elected by the members for a term of one year, and shall hold office until the next annual election of directors and until their successors are elected and qualified. Directors need not be members or residents of the State of Washington.

**3<sup>rd</sup> Amendment:** Amending the Bylaws - May 19, 2010

**Article XI Section 1** was amended to allow only the General Membership to amend the bylaws. (BOARD OF DIRECTORS VS. GENERAL MEMBERSHIP)

Article XI Section 1 previously:

- (1) Only the Board of Directors shall have power to make, alter, amend and repeal the Bylaws of this Corporation.

Article XI Section 1 as amended:

- (1) Only the members shall have the power to make, alter, amend and repeal the Bylaws of the Corporation, by a majority vote of a quorum of the members represented in person or by proxy at any legally called meeting of the members.