



Bylaws

THE SOCIETY OF SCOTTISH ARMIGERS, INC.

Information Leaflet No.14
Bylaws



BYLAWS

OF

THE SOCIETY OF SCOTTISH ARMIGERS, INC.

ARTICLE I

The name of this corporation shall be "THE SOCIETY OF SCOTTISH ARMIGERS, INC."

ARTICLE II

Section 1. Principal Office

The principal office for the transaction of business of the corporation is fixed and located at San Diego, San Diego County, California. The Board of Governors may at any time or from time to time change the location of the principal office to any place, within or without the State.

Section 2. Other Offices

The Board of Governors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE III

Nonpartisan Activities

This corporation has been formed under the California Public Benefit Corporation Law for charitable or public purposes described above, and shall be nonprofit and nonpartisan. No substantial part of the activities of the corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office or for or against

any cause or measure being submitted to the people for a vote. The corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above.

ARTICLE IV

Dedication of Assets

The properties and assets of this nonprofit corporation are irrevocably dedicated to public or charitable purposes. No part of the net earnings, properties or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any director, officer, or member or to the benefit of any private person or individual. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to an organization that is organized and operated exclusively for religious, charitable or scientific purposes and that has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, as now in effect or as subsequently amended, and Section 23701d of the California Revenue and Taxation Code, as now in effect or as subsequently amended.

ARTICLE V

Membership.

Section 1. Members. Members shall be individuals whose armorial bearings are recorded in the Public Register of All Arms and Bearings in Scotland, and their blood descendants, who have duly applied for membership and paid such initiation fees and dues as may from time to time be established by the Board of Governors.

Section 2. Fellows. Fellows of the Society of Scottish Armigers shall be Members duly nominated, and elected by the Board of Governors, as provided in these Bylaws. Fellows shall have rendered some beneficial service to the Society which in the view of the Board of Governors renders them eligible for this honor.

Section 3. Termination of Membership. Death, resignation or removal of any member as provided in these Bylaws shall automatically terminate membership of such person in this corporation.

Section 4. Meetings. The annual meeting of the members of the corporation shall be held on the first day of May of each year at 10:00 A.M. at the principal office of the corporation or at such other place as the President may direct. No notice of such annual membership meetings need be given. Special meetings of the members may be called in the same manner as special meetings of the Board of Governors, and a quorum for a meeting of the members shall be the same as a quorum for a meeting of the Board of Governors.

Section 5. Liabilities and Property Rights of Members. No member of the corporation now or hereafter elected shall be personally liable to its creditors for any indebtedness or liability, and any and all creditors shall look only to its assets for payment.

Section 6. Membership Book. The officers of this corporation shall maintain a current book containing the name and address of each of the members

of this corporation. Termination of any membership shall be recorded in the book, together with the date on which the membership ceased. Said book shall be available for inspection only by the officers and Governors of this corporation and such other persons as the Board of Governors of this corporation may from time to time authorize, and no other persons.

ARTICLE V

Section 1. Directors. The Board of Directors of this Corporation shall be known as the Board of Governors. The Board of Governors shall be composed of those affiliated with the Society who shall be elected to terms of three years. The office of a Governor shall become vacant if the Governor dies or resigns. Successive terms are permitted.

Section 2. Duties of the Board of Governors. Subject to limitations of the Articles of Incorporation and of California Nonprofit Corporation Law, all powers of the corporation shall be exercised by or under the authority of, and the business affairs of the corporation shall be controlled by, the Board of Governors.

Section 3. Delegation of Authority. For the purpose of transacting the business of this Corporation during the intervals between the meetings of the Board of Governors, the President, Vice-President, Secretary and Treasurer, shall constitute the Executive Council, with full authority to act for and on behalf of the Corporation.

Section 4. Election of Governors. Not less than sixty (60) days prior to the annual meeting of the Board of Governors, the President shall appoint a nominating committee composed of three members of the Board of Governors and one Advisory Board member. They shall submit nominees from the Fellow members to fill vacancies on the Board and shall submit the nominees to the Board of Governors at its annual meeting. A Governor shall be elected by a majority vote of the Board of Governors.

Section 4. Meetings. Regular meetings of the Board of Governors shall be held annually at such time and place as the Governors may determine. Special meetings of the Board may be called by the President on ten days' written notice to each Governor, by the most expedient means, including electronic mail and facsimile.

Section 5. Quorum. The presence, in person or by proxy, of a majority of the Governors shall constitute a quorum of the Board.

Section 6. Exercise of Powers. In addition to the powers and authorities by these Bylaws expressly conferred upon it, the Board of Governors may exercise all such powers of the Corporation and do all such lawful acts and things 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 officers.

Section 7. Action Without Meeting. Any action by the Board of Governors may be taken without a meeting if all members of the Board individually or collectively consent in writing to this action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 8. Compensation. No director shall receive compensation for services as a director.

Section 9. Resignation. A Governor may resign effective upon giving written notice to the President, unless the notice specifies a later time for the effectiveness of such resignation. Except upon notice to the Attorney General of California, no Governor may resign where the corporation would then be left without a duly constituted Governor in charge of its affairs.

ARTICLE VI

Section 1. Officers. The officers of this corporation shall be a President, Vice President, a Secretary and a Treasurer.

Section 2. Term of Office. Officers shall be elected for terms of three years by the Board of Governors. Successive terms are permitted. Officers may be members of the Board of Governors.

Section 3. Duties of Officers. The duties of the several officers shall be as follows:

President. Subject to the control of the Board of Governors, the President is the chief executive officer of the corporation and shall have general supervision, direction and control of the business and affairs of the corporation. He shall preside at all meetings of the members and Governors, and shall have such other powers and duties as may be prescribed from time to time by the Board of Governors.

Vice President. The Vice Presidents of this corporation shall have such powers and duties as may from time to time be prescribed by the Board of Governors. In the absence or disability of the President, the Vice Presidents, in order of their precedence within Society of Scottish Armigers, shall succeed to and perform all the duties of the President during the period of such absence or disability, and in so acting shall have all the powers of the President.

Secretary. The Secretary shall keep a full and complete record of the proceedings of the Board of Governors, shall keep the seal of the corporation and affix it to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the records of the corporation, and shall discharge such other duties of the office prescribed by the Board of Governors. The Secretary shall give notice of all meetings of the Board of Governors.

Treasurer. The Treasurer shall be the Chief Financial Officer of this corporation and shall receive and safely keep all funds of the corporation and deposit them in the bank or banks that may be designated by the Board of Governors. The Treasurer shall keep and maintain, or caused to be kept and maintained, adequate and correct accounts of the properties and transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. The books of account shall be open at all reasonable times to inspection by an director. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Governors, shall render to the President and Governors, whenever they request it, an account of all his transactions as treasurer and of the financial condition of the corporation, and shall have

such other powers and perform such other duties as may be prescribed by the Board of Governors or the Bylaws.

Section 4. Other Officers. The Board of Governors may appoint such other officers and agents as it shall deem necessary, 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.

Section 5. Term of Office. The officers of the Corporation shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Governors may be removed at any time, with or without cause, by the affirmative vote of a 60% majority of the Board of Governors attending the Board meeting or voting by proxy. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the President for the remaining term of the vacant office or until the vacancy is filled by the Board of Governors.

Section 6. Delegation of Duties. In the case of the absence of any officer of the Corporation, or for any other reason that the Board of Governors may deem sufficient, the Board may delegate, for the time being, the powers or duties, or any of them, of such officer to any other officer, or to any Governor, provided a majority of the Board attending the Board meeting or voting by proxy concurs therein.

ARTICLE VII

Advisory Board.

Section 1. The Advisory Board shall be a group of individuals appointed to office by, and may be subject to termination at will, by the Board of Governors to offer counsel to the Board of Governors and to also fulfill duties authorized by the Board of Governors. All members of the Advisory Board shall be appointed from among those affiliated with The Society.

Section 2. Term of Office. Members of the Advisory Board shall be appointed to a five (5) years term of office. Successive terms are permitted.

ARTICLE VIII

Contracts, Checks, Deposits and Funds.

Section 1. Contracts, etc., How Executed. The Board of Governors, except as in the Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Governors, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit to render it liable for any purpose or in any amount.

Section 2. Checks, Drafts and Notes. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent

or agents, of the corporation and in the manner as shall from time to time be determined by resolution of the Board of Governors. In the absence of such determination by the Board of Governors, such instruments shall be signed by the Treasurer and countersigned by the President or a Vice President of the corporation.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks or other depositories as the Board of Governors may designate.

Section 4. Gifts. The Board of Governors may accept on behalf of the corporation any contribution, gift, bequest, devise or governmental or other subsidy or scholarship grant for the general purposes of the corporation, or for any special purpose within its general purpose.

ARTICLE IX

Indemnification of Directors, Officers, Employees and Other Agents.

Section 1. Definitions. For the purpose of this Article:

- a. "Agent" means any person who is or was a director, officer, employee, or other agent of this corporation, is or was serving at the request of this corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this corporation or of another enterprise at the request of the predecessor.
- b. "Proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative, or investigative; and
- c. "Expenses" includes, without limitation, all attorneys' fees, costs, and any other expenses incurred in the defense of any claims or proceedings against any agent by reason of his position or relationship as agent and all attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

Section 2. Successful Defense by Agent. To the extent that an agent of this corporation has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him, then the provision of Sections 3 through 5 shall determine whether the agent is entitled to indemnification.

Section 3. Actions Brought by Persons Other Than the Corporation. Subject to the required findings to be made pursuant to Section 5, below, this corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding other than an action brought by, or on behalf of, this corporation, or by an officer, director or person granted related status by the Attorney General, or by the Attorney General on the ground that the defendant director was or is engaging in self-dealing with the meaning of California Corporations Code section 5233, or by the Attorney General or a person granted related status by the Attorney General for any breach of duty relating to assets

held in charitable trust, by reason of the fact that such person is or was an agent of this corporation, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

Section 4. Action Brought by or on Behalf of the Corporation.

a. Claims settled out of court. If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of this corporation, without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expense incurred in defending against the proceeding.

b. Claims and suits awarded against agent. This corporation shall indemnify any person who was or is a part or is threatened to be made a party to any threatened, pending, or completed action brought by or on behalf of this corporation by reason of the fact that the person is or was an agent of this corporation, for all expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:

(1) The determination of good faith conduct required by Section 5, below, must be made in the manner provided for in that section; and,

(2) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the agent should be entitled to indemnity for the expenses incurred. If the agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

Section 5. Determination of Agent's Good Faith. The indemnification granted to an agent in Sections 3 and 4 above is conditioned on the following:

a. Required standard of conduct. The agent seeking reimbursement must be found, in the manner provided below, that he acted in good faith, in a manner he believed to be in the best interest of this corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in the best interest of this corporation or that he had reasonable cause to believe that his conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that his conduct was unlawful.

b. Manner of determination of good faith conduct. The determination that the agent did act in a manner complying with Paragraph (a) above shall be made by:

(1) The Board of Governors by a majority vote of a quorum consisting of Governors who are not parties to the proceeding; or,

(2) The affirmative vote of a majority of the votes represented and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum).

(3) The court in which the proceeding is or was pending. Such determination may be made on application brought by this corporation or the agent or the attorney or other person rendering a defense to the

agent, whether or not the application by the agent, attorney, or other person is opposed by this corporation.

Section 6. Limitations. No indemnification or advance shall be made under this Article, except as provided in Sections 2 or 5(b)(iii), in any circumstance when it appears:

a. That the indemnification or advance would be inconsistent with a provision of the articles, a resolution of the members, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or,

b. That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 7. Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by this corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article.

Section 8. Contractual Right of Non-Directors and Non-Officers. Nothing contained in this Article shall affect any right to indemnification to which persons other than directors and officers of this corporation, or any subsidiary hereof, may be entitled by contract or otherwise.

ARTICLE X

Miscellaneous Provisions.

Section 1. Insurance. The Board of Governors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this corporation would have the power to indemnify the agent against that liability under the provisions of this section.

Section 2. Fiduciaries or Corporate Employee Benefit Plan. This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though that person may also be an agent of the corporation as defined in Section 1 of this Article. Nothing contained in this Article shall limit any right to indemnification to which such a trustee, investment manager, or other fiduciary may be entitled by contract or otherwise, which shall be enforceable to the extent permitted by applicable law.

Section 3. Representation of Securities of Others. The President, or any Vice President and the Secretary, or such other officers as the Board may select for that purpose, are authorized to vote, represent and exercise on behalf of this corporation all rights incident to any and all voting securities of any other corporation or corporations standing in the name of this corporation. The authority here granted to said officers to vote or represent on behalf of this corporation any and all voting securities held by this corporation and any other corporation or corporations may be exercised either by such officers in person or

by any person authorized so to do by proxy or power of attorney duly executed by such officers.

Section 3. Reports. The Board of Governors shall cause proper and timely reports to be filed with such federal and state regulatory and reporting agencies as may be required by law.

a. The Board shall cause an annual report to be sent to the members not later than 120 days after the close of the corporation's fiscal year. Such report shall contain in appropriate detail the following:

- (1) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.
- (2) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (3) The revenue or receipts of the corporation for the fiscal year.
- (4) The expenses or disbursements of the corporation during the fiscal year.
- (5) Any information required by Section 6322 of the Corporations Code.

This report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of any authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

The Corporation shall furnish any member who so requests a copy of any report filed by the corporation pursuant to Article 7 (commencing with Section 12580) of Chapter 6 of Part 2 of Division 3 of the government Code. The corporation may impose reasonable charges for copying and mailing such report.

Section 4. Annual Statement of General Information. The corporation shall, during the period commencing five calendar months prior to the date its Articles were filed and ending during the month its Articles were filed each year, file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the names and complete business or residence addresses of the chief executive officer, secretary and chief financial officer and the street address of its principal office, together with a designation of the agent of the corporation for the purpose of service of process, all in compliance with Section 6210 of the Corporations Code.

Section 5. Inspection of Records. The accounting books and records and minutes of proceedings of the members and the Board of Governors and committees of the Board shall be open to inspection upon the written demand on the corporation of any member at any reasonable time, for a purpose reasonably related to such person's interest as a member.

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation.

Section 6. Fiscal Year. The fiscal year of the corporation shall be the calendar year and shall begin on the first day of January in each year and shall end on the last day of the following December.

Section 7. Rules of Order. Robert's Rules of Order, Revised, shall govern the proceedings of the corporation upon parliamentary questions not covered by these Bylaws.

Section 8. Action Without Meeting. Subject to Section 5513 of the California Nonprofit Public Benefit Corporation Law, any action including election of directors which under any provision of the California Nonprofit Public Benefit Corporation Law may be taken at any regular or special meeting of members, may be taken without a meeting if the written ballot of every member is listed, the required number of signed approvals in writing setting forth the action so taken is received, and the number of ballots cast within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required approved at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. Unless a record date for voting purposes be fixed as provided in Section 8, Article VII, the record date for determining members entitled to cast written ballots pursuant to this Section, when no prior action by the Board has been taken, shall be the day in which the first written ballot is mailed or solicited, whichever is first. Each ballot must specify the time by which it must be received to be counted. The ballot must contain a block in which to vote for each candidate for each office and a space for write-ins. A written ballot marked "withhold" or otherwise marked in any manner indicating authority to vote for the election is withheld shall not be voted either for or against a particular candidate. A written ballot may not be revoked.

ARTICLE X

Amendments.

These Bylaws may be amended or repealed by approval of the members or by the vote of a majority of the Board of Governors, provided, however, that a majority of the members present at the regular meeting or at any special meeting must approve any action that would:

1. Materially or adversely affect the rights of members as to voting or dissolution;
2. Amend or repeal Article III;
3. Amend or repeal Article IV; or
4. Amend or repeal Article XI.

All proposed amendments shall be presented in writing to the Board of Governors at least thirty (30) days prior to any vote on amendments.

ARTICLE XI

Dissolution.

Upon dissolution, the assets of the Corporation remaining after payment and discharge of all debts and liabilities of the Corporation shall be distributed to one or more non-profit organizations, and no part of the net earnings shall inure to the benefit of a governor, officer, affiliate, or any private individual.

Ratified and approved this ____ day of _____, 2004 by the Board of
Governors of The Society of Scottish Armigers, Inc.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

(1) I am the duly elected and acting secretary of The Society of Scottish
Armigers, Inc.;

(2) The foregoing bylaws, comprising twelve (12) pages, constitute
amended bylaws of said corporation as the same were duly adopted at the
annual meeting of the Board of Directors of said corporation duly held
_____, 2004.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the
seal of said corporation this ____ day of _____, 2004.

Secretary