

BYLAWS OF THE HEMP INDUSTRIES ASSOCIATION
a California Nonprofit Mutual Benefit Corporation

ARTICLE I. PURPOSE AND OBJECTIVES

Article 1.1. Organization.

The Hemp Industries Association (“HIA”), a California nonprofit mutual benefit corporation, is organized as a trade association, within the meaning of Article 501(c)(6) of the United States Internal Revenue Code.

Article 1.2. Mission.

The mission of the Hemp Industries Association (HIA), a 501(c)(6) membership-based non-profit trade association, is to advance the hemp economy and educate the market for the benefit of our Members, the public, and the planet.

Article 1.3. Purpose of Bylaws.

These Bylaws are adopted for the regulation and management of the affairs of HIA.

Article 1.4. Controlling Laws and Documents.

These Bylaws are controlled by and subject to the California Nonprofit Mutual Benefit Corporation Law, the Articles of Incorporation of HIA, and any other applicable California or federal law, as may be amended from time to time.

Article 1.5. Principal Business Office and Registered Agent.

HIA shall record with the California Secretary of State its principal business office and identify its registered agent. It shall comply with all applicable reporting, registration and filing requirements under state or federal law, as may be amended from time to time. It may establish such other offices, either within or outside California, as the board of directors (“Board”) may deem necessary and proper to conduct the business of HIA.

ARTICLE II. DEFINITIONS

2.1. “Board” means the Board of Directors of HIA.

2.2. “Bylaws” means these Bylaws of the Hemp Industries Association, as they might be amended from time to time.

2.3. “Chapter” means a subsidiary organization of HIA based in a specific state, territory or geographical region.

2.4. “Committee” is any group formed to perform one or more functions or services for HIA. A Committee may be organized with respect to any subject matter of interest to HIA.

2.5. “Compensation” means remuneration whether by way of salary, fee, or other consideration for services rendered. Payment of *per diem*, mileage, or other expense reimbursement is not Compensation and does not affect a Person’s status as a Volunteer.

2.6. “Day” means a business day, unless otherwise indicated.

2.7. “Director” means a member of the Board.

2.8. “*Ex Officio* Director” means a Director who is appointed by the Board instead of being elected by the Members.

2.9. “Financial Interest” means either of the following:

2.9.1. An actual or potential ownership or investment interest, or any Compensation received or to be received from an entity with which HIA engages or will engage in a commercial transaction or business arrangement of any kind; or

2.9.2. Compensation received or to be received by an Interested Person for goods provided to or services performed for HIA. Compensation may include any direct or indirect remuneration, including gifts.

2.10. “HIA” means the Hemp Industries Association.

2.11. “Interested Person” means an Officer, Director, the Executive Director, or a member of a Committee with powers delegated to it by the Board, who has a direct or indirect Financial Interest.

2.12. “Notice” means the delivery of any information required by these Bylaws to be made in such manner as to be reasonably calculated to provide actual notice. Notice shall be given in writing and will be deemed received (a) when delivered personally; (b) when sent by facsimile or email; (c) five (5) Days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) Day after deposit with a commercial overnight carrier. Notice will be sent to the last-known address of record of the recipient or to such other address as may be indicated to HIA by the recipient.

2.13. “Person” means either a natural Person or a corporate entity organized under any applicable state or federal law or the law of a foreign nation. An unincorporated association is not a Person.

2.14. “Task Force” means any group formed to perform one or more functions or services for HIA. A Task Force may be organized with respect to any subject matter of interest to HIA. A Task Force usually is established to perform a specific function or mission over a limited period of time.

2.15. “Volunteer” means a Person who renders services to or for HIA without Compensation.

ARTICLE III. MEMBERS

Article 3.1. Classes of Membership; Voting Rights.

There are three Classes of Members of HIA:

3.1.1. Farming Members are natural Persons or corporate entities involved in agricultural production.

3.1.2. Business Members are natural Persons or corporate entities involved in any activity other than agricultural production.

3.1.3. Supporting Members are natural Persons, only.

3.1.4. Each Farming and Business Member of HIA has one vote. Supporting Members do not have the right to vote.

3.1.5. Unless indicated otherwise, use of the term “Member” in these Bylaws shall mean Farming and Business Members.

Article 3.2. Rules.

The Board shall establish rules governing membership that shall include but are not limited to the following:

3.2.1. Qualifications for membership.

3.2.2. Applications for membership.

3.2.3. Levels of membership within a membership Class, if any.

3.2.4. Terms, conditions and procedures for termination of a Member.

3.2.5. Membership benefits.

3.2.6. Standards of conduct.

3.2.7. Membership dues and assessments.

Article 3.3. Meetings and Voting.

3.3.1. A general meeting of the Members shall be held at least one time a year, or more often as the Board might otherwise establish. The date, time and location of the meetings shall be established by the Board. The Board may from time to time hold special meetings of the Members as it deems necessary and proper to conduct the business of HIA.

3.3.2. Written Notice of all general and special meetings shall be provided by the Board to every Member, including Supporting Members, no less than ten (10) Days before the meeting, and may be given electronically when sent to the most current email address provided by the Member in the Member Profile. The Notice shall set forth the general nature of the business to be transacted, including any actions to be taken by the Members. If any action is to be taken at the meeting, the Board shall distribute ballots to all the Members, along with instructions for voting, which shall include a description of the matters to be decided, the number of votes required to meet the quorum requirement, and the number of votes required to approve the proposed action. Notice of any meeting at which Directors are to be elected shall include the names of the nominees.

3.3.3. A majority of the Members shall constitute a quorum for any general or special meeting. No business of HIA may be transacted and no action may be taken by the Members without a quorum. Members who attend a meeting at which a quorum was present may continue to conduct business, even if enough Members withdraw from the meeting to leave less than a quorum, provided that any action taken is approved by at least a majority of the number of Members necessary to constitute a quorum.

3.3.4. A Member that is a corporate entity may designate a representative to attend meetings and otherwise to act on its behalf as long as the Member has provided Notice of the name of such designated representative to HIA in advance of the meeting. The representative must be a natural Person over the age of eighteen years but need not be a Member of HIA.

3.3.5. A Member may be deemed present at a meeting, for purposes of quorum and voting, if the Member has delivered a signed proxy to another Member who attends the meeting. The proxy shall authorize the designated Member to vote on behalf of the Member who gave the proxy. The Member shall have the option of instructing its designee to approve, disapprove or withhold voting on specific proposed actions. The Board may, in its discretion, require Members to submit proxies only by a form approved by the Board.

3.3.6. Members may meet and vote by telephone, video conference or electronically, as determined by the Board. Any action taken during such a meeting shall have the same effect as if the meeting took place in person. The provisions of Articles 3.3.2. through 3.3.5. shall apply.

3.3.7. An action required or permitted to be taken at a meeting of the Members may be taken without a meeting by voting by written ballot, which may be submitted by U.S. Mail, electronically, or by such other means as approved by the Board. Members shall be provided a reasonable period of time within which to vote. Members shall be present for purposes of establishing a quorum by casting their ballot. The provisions of Articles 3.3.2. through 3.3.5. shall otherwise apply.

3.3.8. Except as provided by these Bylaws or unless the Board decides to proceed otherwise, actions will be taken by the Members by majority vote.

3.3.9. Within sixty (60) Days following any scheduled or special meeting of the Members, or of any action taken without a meeting, the Board shall deliver to the Members a report. In the report, the Board shall summarize the business conducted at the meeting or in the action taken

without a meeting, and certify any elections held, which shall include a statement of the number of votes cast for and against each action taken.

Article 3.4. Record Date.

3.4.1. For all actions to be taken by the Members, whether such action is to be taken with or without a meeting, the Board shall fix, in advance, a date as the record date for the purpose of determining the number of Members and the number required to establish a quorum. Such record date shall not be more than sixty (60) Days nor less than ten (10) Days before the date of the proposed action.

3.4.2. On or after the record date, the Board shall provide Notice to the Members in accordance with Article 3.3.2.

ARTICLE IV. BOARD OF DIRECTORS

Article 4.1. Powers of the Board.

All powers of HIA shall be exercised by or under the authority of, and the business and affairs of HIA shall be managed by, the Board. Subject to the provisions of these Bylaws, the California Nonprofit Mutual Benefit Corporation Act, and such other limitations as may be imposed by state or federal law, as may be amended from time to time, the Board may exercise the following powers without specific authorization:

4.1.1. Adopt and amend the Articles of Incorporation and Bylaws.

4.1.2. Adopt and amend such other rules, regulations, policies and procedures as the Board may deem necessary and proper for the governance and operation of HIA, including, without limitation, and unless otherwise prohibited or limited by law, membership, finances, meetings, Directors, staff, Committees and Task Forces, state or regional Chapters and resolving Conflicts of Interest.

4.1.3. Adopt and amend budgets for HIA, approve and undertake expenditures, incur debt and take such other measures as may be deemed necessary and proper to promote its financial operations.

4.1.4. Hire, supervise and remove the Executive Director of HIA and other employees, agents and independent contractors.

4.1.5. Make contracts, assume obligations and incur liabilities on behalf of HIA.

4.1.6. Enter into partnerships, joint ventures and other types of associations with individuals and other organizations.

4.1.7. Institute, defend, or intervene in litigation or administrative proceedings in the name of HIA.

4.1.8. Accept gifts on behalf of HIA.

4.1.9. Acquire, lease, hold, encumber, assign and convey any right, title, or interest in real or personal property, levy dues and fees and otherwise acquire revenues in the name of HIA. The Board shall have the power to execute and deliver instruments of assignment, conveyance and encumbrance. The sale, exchange, lease or other disposition of property and other assets of HIA shall be authorized in a manner consistent with applicable state and federal law, as may be amended from time to time.

4.1.10. Maintain, repair, replace, modify or otherwise dispose of real and personal property held in the name of HIA.

4.1.11. Procure insurance for the benefit of HIA, the Officers and Directors, the Executive Director, the staff and others.

4.1.12. Provide for the indemnification and defense of the Officers and Directors, the Executive Director, the staff and others.

4.1.13. Exercise any other power and perform any other act necessary and proper for the governance and operation of HIA.

Article 4.2. Directors.

4.2.1. The Board of HIA shall consist of not less than three (3) nor more than thirteen (13) Directors.

4.2.2. Each Director must be a natural Person over the age of 18 years and a voting Member of HIA for a minimum of the most recent two consecutive years. Supporting Members are not eligible to serve as Directors.

4.2.3. Directors shall serve for terms of three years, except that the Board may adjust the terms of the Directors to help ensure continuity of leadership and may in its discretion set shorter term limits for *Ex Officio* Directors. A Director may resign at any time with or without cause. A Director that resigns while holding office also resigns any office held by the Director.

4.2.4. Any Member or Director or the Executive Director may nominate a qualified Person to become a Director, in accordance with procedures established by the Board. Directors shall be elected by the Members. Unless the Board provides otherwise, Directors shall begin serving immediately upon their election. There is no limit to the number of consecutive or non-consecutive terms that a Director may serve.

4.2.5 The Board may appoint up to three (3) *Ex-Officio* Directors. Subject to Paragraph 4.2.3, *Ex-Officio* Directors shall have all the same rights, duties and privileges as any other Director.

4.2.6. The Board may remove a Director for cause. Cause exists to remove a Director who has been declared of unsound mind by a final order of a court, or convicted of a felony, for failing without reasonable excuse to attend three consecutive meetings of the Board, for failing or ceasing to meet any required qualifications for Directors, or for acts or omissions in violation of the Standard of Conduct for Directors established in these Bylaws or in any rules adopted by the

Board. The decision to remove a Director for cause shall require two-thirds of the Directors for which a quorum is present.

4.2.7. Members may vote to remove a Director with or without cause.

4.2.8. Vacancies caused by expiration of a Director's term, or by resignation, death, removal or incapacity of a Director, may be filled by an interim election of the Members or by a vacancy appointment by the Board. If the term of a departing Director was unexpired, then the Director elected or appointed to fill the vacancy shall serve the remainder of the term of the Director so replaced.

Article 4.3. Meetings and Voting.

4.3.1. Scheduled meetings of the Board of HIA shall occur four times a year, or as often as the Board might otherwise establish. The date, time and location of the meetings shall be established by the Board. The Board may from time to time hold special meetings as it deems necessary and proper to conduct the business of HIA. Special meetings of the Board may be called by any Officer or by any two Directors.

4.3.2. The Board in its discretion may meet with or without the Executive Director. The Executive Director shall attend all meetings of the Board. If the Executive Director is unable to attend a meeting, then he or she may designate another natural Person to attend in his or her place, provided however, that such Person executes and submits to the President of the Board a Confidentiality Agreement in advance of the Board meeting being attended.

4.3.3. Notice of a meeting shall be provided to the Directors at least seven (7) Days before it is to be held. Notice shall be made in writing and may be delivered in person or by U.S. Mail, facsimile or electronic mail. A Director may waive Notice by appearing at the meeting and giving an oral or written statement to that effect, which waiver shall be recorded in the minutes, or confirmed by resolution, or ratified in the vote.

4.3.4. A majority of the Directors, but no fewer than three Directors, shall constitute a quorum. No business of HIA may be transacted and no action may be taken by the Board without a quorum.

4.3.5. A Director may be deemed present at a meeting, for purposes of quorum and voting, if the Director has provided a signed proxy to another Director who is present at the meeting. The proxy shall authorize the designated Director to vote on behalf of the Director who gave the proxy. The Director shall have the option of instructing its designee to approve, disapprove or withhold voting on specific proposed actions. The Board may, in its discretion, require Directors to submit proxies only by a form approved by the Board.

4.3.6. Directors may meet by telephone, video conference or electronically, as determined by the Board. Any action taken during such a meeting shall have the same effect as if the meeting took place in person. The provisions of Articles 4.3.2. through 4.3.5. apply.

4.3.7. An action required or permitted to be taken at a meeting of the Board may be taken without a meeting by voting by written or electronic ballot. Directors shall be provided a

reasonable period of time within which to vote. Directors shall be present for purposes of establishing a quorum by casting their ballot. The provisions of Articles 4.3.2. through 4.3.5. apply.

4.3.8. The Board may adopt such rules of order for the conduct of meetings and voting that it deems necessary and proper.

4.3.9. Each Director shall have one vote. All votes, except those made in Executive Session as set forth in Article 4.3.12, shall be recorded in the minutes of the meeting or, in the absence of a meeting, recorded in another manner.

4.3.10. Except as otherwise provided by these Bylaws or unless the Board decides to proceed otherwise, actions by the Board will be taken by majority vote. For any action requiring a simple majority vote of the Board, in the event of a tie, the Executive Director may cast the deciding vote. The Executive Director may not vote by proxy.

4.3.11. If there are fewer than five (5) Directors voting with or without a meeting, then their vote on any action must be unanimous.

4.3.12. During any regular or special meeting, if the Board determines that a particular matter is of such sensitive or private matter as to warrant confidential discussion, it may vote to go into Executive Session. Records and minutes of subjects addressed in Executive Session shall not be subject to the right of inspection by Members as described in Article XI. The vote to enter into Executive Session shall state the general subject matter to be addressed and the vote shall be recorded, which shall itself be subject to the right of inspection as described in Article XI.

Article 4.4. Compensation.

Directors may receive Compensation for service on the Board.

ARTICLE V. OFFICERS

Article 5.1. Designation and Qualifications.

5.1.1. The Officers of HIA shall consist of the President, Vice President, Secretary and Treasurer.

5.1.2. Officers must be Directors of the Board. A Director may hold more than one office simultaneously, except that no single Director may hold all of the offices of HIA. An Officer may resign at any time with or without cause.

5.1.3. The Board shall elect the President, Vice President, Treasurer and Secretary. Unless the Board provides otherwise, a Director assumes the office immediately upon being elected.

5.1.4. The Board may remove any Officer at any time for any reason.

5.1.5. The term of each office is two (2) years, except as may be limited by the resignation, removal or completion of term of the Director holding the office. An Officer may seek election for additional terms without limit.

Article 5.2. Authority and Duty of Officers.

5.2.1. The President is the Chief Executive Officer and Chair of the Board and has overall responsibility for managing the affairs of HIA. The President shall attend and preside over all scheduled and special meetings of the Board or may designate another Director to do so in place of the President.

5.2.2. The Vice President shall act as President in the event that the President is absent or incapable of exercising the duties of office, except as provided in Article 5.2.1.

5.2.3. The Treasurer shall be primarily responsible for overseeing the finances of HIA. The Treasurer shall work with the Executive Director and such other staff and Volunteers as HIA might employ or hire to keep the books, undertake audits, prepare budgets, engage in financial planning, and manage the revenues and expenditures of HIA.

5.2.4. The Secretary shall be primarily responsible for maintaining the corporate records and other documents of HIA. The Secretary shall take minutes of all meetings of the Member and of the Board. The Secretary also shall be responsible for controlling access to confidential materials in accordance with these Bylaws and any rules or policies on confidentiality that the Board may establish.

Article 5.3. Executive Director.

5.3.1. The Board shall hire and fix Compensation, if any, for the Executive Director, who shall serve as the chief operating officer of HIA. The Executive Director shall report to and take direction from the Board.

5.3.2. The Executive Director shall supervise and manage the staff and oversee the day-to-day operations of HIA, subject to the terms and conditions of the Executive Director's contract for employment.

5.3.3. The Board may, in its discretion, and subject to the terms and conditions of the Executive Director's contract for employment:

5.3.3.1. Overrule decisions of the Executive Director at any time for any reason.

5.3.3.2. Assign all or any part of the powers and duties of the Executive Director among the Directors or members of the staff.

Article 5.4. Staff.

5.4.1. The Board or Executive Director may hire or appoint such additional staff as they deem necessary to properly manage the affairs of HIA. The Executive Director and the staff, which may include independent contractors and service providers, shall comprise the staff.

5.4.2. The Board and Executive Director shall fix the Compensation, if any, for members of the staff.

ARTICLE VI. COMMITTEES AND TASK FORCES

Article 6.1. Establishment of Committees and Task Forces.

6.1.1. The Board may establish or dissolve such Committees and Task Forces as it deems necessary and proper for the governance and operation of HIA.

6.1.2. A Committee shall include a minimum of two (2) Directors to the extent this remains a requirement under California Nonprofit Mutual Benefit Corporation law. A Task Force shall include a minimum of one (1) Director or a Member appointed by the Board. One (1) Director on each Committee and Task Force shall serve as a liaison to the Board.

6.1.3. A Committee or Task Force may include Persons who are not Members, but such Persons shall have no voting rights.

Article 6.2. Governance of Committees and Task Forces.

Each Committee and Task Force may establish its own rules and procedures as it deems necessary and proper for its governance and operation.

Article 6.3. Authority.

6.3.1. The Board may charge a Committee, but not a Task Force, with the authority of the Board.

6.3.2. A Committee charged with the authority of the Board shall be composed entirely of Directors.

6.3.3. No Committee or Task Force may do any of the following:

6.3.3.1. Approve any action that requires approval of the Members of HIA.

6.3.3.2. Fill vacancies on the Board or on any Committee or Task Force which has the authority of the Board.

6.3.3.3. Fix Compensation of the Directors for serving on the Board or on any Committee or Task Force.

6.3.3.4. Amend, repeal or adopt Bylaws or any action by the Board.

6.3.3.5. Appoint or remove members of any Committee or Task Force.

Article 6.4. Executive Committee.

6.4.1. The Officers and the Executive Director shall constitute the Executive Committee of HIA.

6.4.2. The Executive Committee shall have the power and authority to conduct the operations of HIA and to act on behalf of the Board between meetings.

6.4.3. The Executive Director has no vote and shall serve in an advisory capacity.

Article 6.5. Elections Committee.

6.5.1. The Board shall appoint an Elections Committee to oversee and manage elections.

6.5.2. Only Directors may be members of the Elections Committee, which shall consist of at least three (3) Directors.

6.5.3. The Elections Committee shall evaluate voting credentials of Members and solicit and approve nominations of Members to seek election as Directors of the Board. The Elections Committee also shall prepare and distribute ballots, administer elections and certify election results.

6.5.4. The Elections Committee may solicit the assistance of the Executive Director, staff and Volunteers, who shall not serve as members of the Election Committee and who shall not have the authority of the Board.

ARTICLE VII. CHAPTERS

7.1. HIA may approve the creation of Chapters.

7.2. Only Members and Supporting Members of HIA may become members of a Chapter.

7.3. Chapters shall adhere to the mission of HIA, these Bylaws, and all applicable rules, regulations, policies and guidelines of HIA.

7.4. Chapters may establish their own governing structure, rules, regulations, policies and guidelines, provided that they do not conflict with these Bylaws or with any other applicable rule, regulation, policy or guideline of HIA.

7.5. Only Persons who are voting Members of HIA within the Chapter may hold a position in the governing body of the Chapter and only voting Members of HIA within the Chapter may elect such Persons.

ARTICLE VIII. STANDARDS OF CONDUCT

Article 8.1. Good Faith and Best Interests of HIA.

8.1.1. Each Director and Officer, and the Executive Director is a fiduciary of HIA. Each shall discharge his or her duties in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner that he or she reasonably believes is in the best interests of HIA.

8.1.2. No Director or Officer or the Executive Director shall take any action that he or she reasonably believes would be averse to the best interests of HIA.

8.1.3. An Officer or Director or the Executive Director that discharged his or her duties in good faith and in the reasonable belief that he or she acted in the best interests of HIA and was not in violation of any applicable civil or criminal law is not liable to HIA.

Article 8.2. Reliance on Information.

8.2.1. In discharging their duties, an Officer, Director, or the Executive Director is entitled to rely on data, opinions, reports or statements, including financial, legal and technical statements and other information prepared or presented by Officers, Directors, employees or contractors of HIA, whom he or she reasonably believes to be reliable and competent in the matters presented.

8.2.2. The following are presumed to be reliable sources of information:

8.2.2.1. One or more Officers, Directors, employees of HIA whom the Officer, Director or the Executive Director reasonably believes to be reliable and competent in the matters presented;

8.2.2.2. Legal counsel, an accountant, an appraiser, or another Person as to matters the Officer, Director or the Executive Director reasonably believes are within such Person's professional or expert competence; or

8.2.2.3. A Committee or Task Force, if the Officer, Director or the Executive Director reasonably believes the Committee or Task Force merits confidence.

8.2.3. An Officer, Director or the Executive Director is not acting in good faith if he or she acts in reliance upon the advice of others with actual knowledge that makes reliance unwarranted.

Article 8.3. Confidential Information.

8.3.1. Neither a Director nor the Executive Director shall discuss or disclose confidential information about HIA.

8.3.2. Upon being voted onto or accepting appointment, each Director and the Executive Director shall execute a confidentiality agreement prepared by the Board.

ARTICLE IX. CONFLICTS OF INTEREST

Article 9.1. Purpose.

The purpose of the conflict of interest policy of HIA is to protect the interests of HIA when it is contemplating entering into a transaction that might benefit the personal interests of an Officer, Director or the Executive Director, or might result in an excess benefit transaction. This policy is intended to supplement but does not replace any applicable state or federal law governing conflict of interest applicable to nonprofit and charitable organizations.

Article 9.2. Statement.

Each Officer, Director and the Executive Director, upon assuming office, shall sign a statement affirming the following:

9.2.1. That he or she has received a copy of the Bylaws, including the Conflicts of Interest Policy;

9.2.2. That he or she has read and understood the Bylaws, including the Conflicts of Interest Policy;

9.2.3. That he or she agrees to comply with the Bylaws, including the Conflicts of Interest Policy; and

9.2.4. That he or she understands that HIA was organized as a non-profit business league or trade association, and that to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Article 9.3. Conflict of Interest Not Presumed.

The mere existence of a Financial Interest by an Interested Person is not a *per se* Conflict of Interest. The Board must still determine, on a case by case basis, whether a Conflict of Interest exists in light of all the attendant circumstances.

Article 9.4. Procedures.

9.4.1. Duty to Disclose. An Interested Person owes a continuing duty to disclose to the Board the existence of any actual or potential Conflict of Interest, and to cooperate with the Board in considering the relevant facts and circumstances of the transaction or relationship in question.

9.4.2. Determination. The Board shall consider the facts presented by the Interested Person, along with such other facts as the Board may discover through its own investigation and determine whether a Conflict of Interest exists. Any other Officer or Director who might be an Interested Person with a Financial Interest in the matter in question shall recuse himself or herself from the proceedings.

9.4.3. Ruling. If the Board determines that a Conflict of Interest exists, then it may take any of the following actions:

9.4.3.1. Waive the Conflict of Interest and allow the transaction or relationship in question to stand or continue;

9.4.3.2. Disallow or reverse the transaction or relationship in question;

9.4.3.3. Remove the Interested Person from the Board or from employment by or service to HIA; or

9.4.3.4. Take such other and further action as the Board deems necessary and proper under the circumstances.

Article 9.5. Record of Proceedings.

9.5.1. The Board shall prepare a written record of proceedings involving an actual or potential Conflict of Interest.

9.5.2. The record shall contain the names of all Interested Persons and Financial Interests involved, the names of all Directors that participated in the action, the substance of the facts presented and considered, and the action taken.

Article 9.6. Periodic Review.

To ensure that HIA operates in a manner consistent with its purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted no less than twice annually. The reviews will address the following:

9.6.1. Whether Compensation paid to the Executive Director, members of the staff and others is reasonable, based on performance and competent information about market conditions, and is the result of arms-length transactions.

9.6.2. Whether the relationships that HIA enters into with natural Persons and other organizations conform to HIA's written policies and procedures, are properly documented, are commercially reasonable, further the purposes of HIA as a tax-exempt business league or trade association and do not confer any impermissible private benefit or result in an excess benefit.

ARTICLE X. INDEMNIFICATION AND INSURANCE

Article 10.1. Indemnity.

10.1.1. To the fullest extent allowed by law, HIA shall defend, indemnify and hold harmless any Officer, Director, or the Executive Director, who is or is threatened to be made a party to any proceeding, by reason of the fact that the Person is or was acting as an agent of HIA, against any claims, expenses, judgments, fines, settlements, and other expenses, including reasonable attorney fees, by reason of the fact that the Person was or acted as an agent of HIA.

10.1.2. The Board shall authorize indemnification if it determines that the Person acted in good faith and in a manner reasonably believed to be in the best interests of HIA.

10.1.3. The Board may decline indemnification to a Person found not to have acted in good faith and in a manner reasonably believed to be in the best interests of HIA; or who was adjudged to be liable to HIA for the acts or omissions out of which the demand for indemnification arose.

Article 10.2. Limitations on Indemnity.

HIA reserves the right to decline to indemnify for any of the following acts of malfeasance:

10.2.1. Any breach of the Standards of Conduct or other fiduciary duty to HIA.

10.2.2. Acts or omissions not undertaken in good faith; or that involved intentional misconduct, a knowing violation of the law, or reckless disregard of a likely violation of the law.

10.2.3. A transaction involving HIA and in which an Officer, Director or the Executive Director had an actual or potential Conflict of Interest, as described in Article VIII, unless the Board waives the conflict.

10.2.4. Willful and wanton acts.

Article 10.3. Employees, Agents and Volunteers.

The Board may extend the indemnity obligations set forth in this Article X to any employee or agent of HIA, or to any other Person acting for or in the name of HIA.

Article 10.4. Insurance.

The Board shall endeavor in good faith to procure such liability insurance as might be commercially and reasonably available, in furtherance of its indemnity obligations under this Article X.

ARTICLE XI. RECORDS OF HIA

Article 11.1. Records Maintained by HIA.

HIA shall keep as permanent records a comprehensive list of names, addresses, and classes of membership of all Members and Supporting Members; minutes of all meetings of the Board; actions taken with or without a meeting; the Articles of Incorporation, as may be amended from time to time; annual reports to the California Secretary of State; the Bylaws and such amendments to the Bylaws as may be adopted; resolutions of the Board; contracts; deeds; leases; financial records; reports; and such other documents as HIA may from time to time adopt, create, collect or receive. Records may be maintained either in hard copy or in any suitable electronic format and may be kept at any physical location selected by the Board.

Article 11.2. Inspection of Records.

11.2.1. Any Member or its duly authorized agent may, for a purpose reasonably related to the Member's interest in HIA, upon five (5) Days prior written Notice, access, inspect and copy the books, records and other documents of HIA at a mutually agreeable time during normal business hours.

11.2.2. The Board may, in its discretion, require that the Member requesting access to records of HIA state the reason for the request, execute a non-disclosure agreement as a condition of obtaining access, pay reasonable costs for copying in advance to the extent HIA agrees to perform the copying, or other reasonable terms and conditions

11.2.3. The Board may refuse to make available for inspection by a Member any materials relating to an Executive Session of the Board, as provided in Article 4.3.12.

Article 11.3. Records Retention.

The Board may adopt such records retention policy as it deems necessary and proper, subject to the Bylaws and applicable state and federal law.

ARTICLE XII. DISSOLUTION

Article 12.1. Dissolving or Reorganizing.

The Members may by a vote of two-thirds of the quorum elect to cease the activities of and dissolve HIA and wind up its affairs. The Members or the Board may elect to reincorporate or reorganize HIA, as provided by applicable state and federal law.

Article 12.2. Disposition of Assets.

The Board shall, after paying or adequately providing for the payment of all obligations and liabilities of HIA, dispose of the assets of HIA in a manner consistent with applicable state and federal law, as may be amended from time to time. Any assets not so handled shall be disposed of by a court of competent jurisdiction, exclusively for tax-exempt purposes, or to such other organizations established and operated for tax-exempt purposes, as the court deems necessary and proper.

Article 12.3. Disbursement of Assets to Officers or Directors.

No Officer, Director or Executive Director of HIA, nor any other Person, shall be paid any distribution of corporate assets, except for tax-exempt purposes.

ARTICLE XIII. MISCELLANEOUS PROVISIONS

Article 13.1. Fiscal Year.

Unless provided otherwise by the Board, the fiscal year for HIA shall be the calendar year.

Article 13.2. Limitations Period.

Any legal action or other claim challenging the decision to terminate a Member or remove a Director, or the validity of an election, must be brought within nine (9) months of the effective date of termination of the Member, removal of the Director or certification of the election.

Article 13.3. Severability.

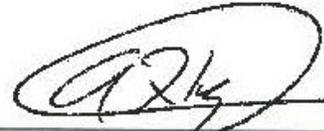
In the event any one or more of the provisions of these Bylaws shall be found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

HEMP INDUSTRIES ASSOCIATION

Approved by the Board of Directors on December 26, 2018.



Joy Beckerman, President



Rick Trojan, Vice President



David Bush, Treasurer 01-04-19



Tyler Frank, Secretary