

# Scratch Players Group Bylaws

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## Article I - Organization

### Name §1

The name of the entity is the Scratch Players™ Group hereinafter referred to as SPG.

### Form of Organization §2

The form of organization of this entity is as a California Nonprofit Mutual Benefit Corporation complying with section 501(c)(7), Title 26, of the United States Code and California Revenue and Taxation Code section 23701g.

## Article II - Principal Office

The principal office of the SPG shall be 1133 Taylor Street, San Francisco, CA, USA. or such other place as may be designated by the Board. Worldwide branch and/or affiliate offices also may be established by the Board.

## Article III - Purpose

The purpose of the SPG is to pursue the mutual interests of its scratch golfing members; is by, of and primarily for scratch players; and shall encompass the following mission statement:

It shall be the mission of the SPG: to hold the game of golf in high esteem; to enhance the information availability specific to the interests of scratch players, to conduct scratch golf tournaments; to respect the autonomy and purpose of other professional and nonprofit golf associations or unions; to enhance the ability of it's members to network, gather and otherwise communicate with one another; to facilitate a medium whereby members can contribute back to the game of golf; and to provide peer recognition of players worldwide who have exhibited an exemplary track record of golf performance.

## Article IV - Definitions

**Board** > shall mean the Board of Directors of the SPG.

**TH** > shall mean a tournament handicap which is a *Handicap Index*®, as computed via the current system established by the United States Golf Association (USGA), where a sufficient number of handicap differentials, as determined by the Board, utilized to calculate an individuals *Handicap Index*® are derived from tournament scores and identified as such by a "T". A tournament handicap shall also mean a non-USGA tournament based handicap, or the like by whatever description, from anywhere in the world, as approved by the Board and disclosed on the SPG website, scratchplayers.org. [® - USGA mark]

**website** > shall hereinafter mean the SPG website, scratchplayers.org.

**Intranet** > shall mean the SPG intranet, accessible only by SPG members, via the website.

**e-mail** > shall mean electronic communications to and from a cyber address via the internet or the intranet.

**IEM** > shall mean an interactive electronic medium whereby only SPG members can communicate among themselves on a continuous and interactive basis via the website (commonly referred to as a "chat room").

**applicable law** > shall mean California law as prescribed in section 1 of Article XVII (Application of Law).

**USA** > shall mean the United States of America.

**scratch player** > shall mean an individual who is an accomplished golfer having achieved a skill level, in part derived from performance in tournament play, in the top five percent (5%) of all golfers worldwide.

**media** > shall mean voice, video and other communication tools if and as determined by the Board.

**pro** > full member of a national association of golf professionals or playing member of a professional golf tour

**class A** > Life, Regular and Senior members of the SPG

**ED** > Executive Director of the SPG

## **Article V - Membership Classification, Eligibility, Benefits and Obligations**

### **Life Member §1**

Any scratch player who has been inducted into the SPG Hall of Fame, any member who has served on the Board of Directors of the SPG for 3 years, any Founding Director serving in such capacity until the year 2002, any dues exempt member, or other scratch player by the consent of eight (8) members of the Board, shall be a Life member (class A) should such individual choose to remain or become a member of the SPG. Life members have the same benefits, rights and obligations as Regular members, except that they are thereafter exempt from any TH or pro status requirement upon renewal of Life membership.

### **Regular Member §2**

Any scratch player of the age of eighteen (18) or older, from anywhere in the world, shall become a regular member (class A) who has attained a TH of 3.9 (or non-USGA equivalent) or less, or pro status, as determined by the Board, if such individual has complied with section 1 of Article VI (Admission). Regular Members shall have benefits, rights, and obligations as set forth in these Bylaws.

### **Senior Member §3**

Any scratch player of the age of fifty (50) or older, from anywhere in the world, shall become a Senior member (class A) who has attained a TH of 5.5 (or non-USGA equivalent) or less, or pro status, as determined by the Board, if such individual has complied with section 1 of Article VI (Admission). Senior members have the same benefits, rights and obligations as Regular members.

### **Junior Member §4**

With the written consent of a parent or legal guardian, any scratch player under the age of eighteen (18), from anywhere in the world, shall become a Junior member (class B) who has attained a TH of 3.9 (or non-USGA equivalent) or less, if such individual has otherwise complied with section 1 of Article VI (Admission). Junior members shall be jointly and severally liable for dues, other obligations, and otherwise with their consenting parent or guardian until as otherwise provided in section 4 of Article VI (renewal), and shall have benefits, rights and other obligations as set forth in these Bylaws.

### **Associate Member §5**

Any individual of the age of eighteen (18) or older, from anywhere in the world, shall become an Associate member (class C), as approved by the Board and website disclosed, who has attained a TH between 4.0 and 9.9 (or non-USGA equivalent), if such individual has complied with section 1 of Article VI (Admission). Associate members shall have benefits, rights and obligations as set forth in these Bylaws.

### **Charter Designation to Membership §6**

A charter designation is attached to any SPG class A or B member with a membership number under 1000, which identifies such member as one of the first 999 SPG members, and other members who have served three (3) years on the Board and have been reissued a previously retired membership number under 1000, irrespective of any change in their membership class; no other retired membership numbers under 1000 may be reissued. Each member retains the membership number assigned to such member until and if their membership is terminated. The annual dues obligation is fixed for the lifetime of a member with a charter designation as the amount due upon renewal of such membership at such an amount as would previously have applied to such member's current membership class upon their admission to the SPG.

### **Membership Benefits and Privileges §7**

The benefits and privileges of membership in the SPG shall include:

- (a) an intranet for electronic intra-membership communications, accessible only by members, via the website;
  - (b) website links to golf associations / unions and to other websites, or portions thereof, of interest to members;
  - (c) IEMs for SPG / Board meetings and otherwise, electronic bulletin boards for SPG business and otherwise;
  - (d) golf course, tournament, equipment, and other search databases specific to the interests of scratch players;
- and each member shall be entitled to such, and other, benefits and privileges of SPG membership as provided and disclosed on the website by Board approval, for each membership class.

### **Membership Dues, Duties and Obligations §8**

Each SPG member shall be liable for dues, perform duties, and be obligated otherwise as stipulated in these Bylaws and as otherwise provided and disclosed on the website by the Board for their membership class.

Member duties shall include the understanding of, and compliance with, these Bylaws. It is each member's duty not to engage in activities or behavior detrimental to the interests or mission statement of the SPG as this would be deemed "unbecoming conduct" (Article XII, §1).

## **Article VI - Admission, Renewal and Resignation of Members**

### **Membership Admission and Application §1**

Membership in the SPG is effective for any individual applicant, at the highest qualified class available, upon applicant's receipt of e-mail, or date of written admission confirmation, from the SPG. The admission confirmation includes the membership number, the website member area access codes and SPG intranet e-mail address of the new member, as well as other SPG information or restrictions. Admission confirmation may not be released until fifteen (15) days has passed since the end of the calendar month such current SPG membership application submitted by the applicant was received by the SPG, and the application process is complete.

The application process shall not be deemed complete if:

- (a) the SPG is unable to verify such applicant's TH and/or pro status or,
- (b) the applicant has not satisfied their dues, initiation fee and/or admission duty obligations or,
- (c) the applicant has failed to complete any required portions of the application or,
- (d) the applicant does not qualify for SPG membership or,
- (e) a complaint prescribed under section 2 herein has been timely filed.

The membership application submitted by a Junior membership applicant shall be on a printed application and include the original signature of such applicant's parent or legal guardian, and admission is otherwise effective in the same manner as would apply to all applicants. Exemptions to application protocol or qualifications, may, in the judgment of the Board, be made only in extraordinary, unusual or unanticipated circumstances, for other groups / entities, or for non-golf celebrities. The total number of such individuals receiving exemptions who are current members shall not exceed five percent (5%) of all members in good standing at the moment such exemption is made.

Admission dues are due and payable upon completion of admission duties unless waived by the Board.

Membership applicant names may be posted on the applicable SPG member's bulletin board until the time has expired for any member to file a complaint. The admission process of any applicant is suspended if a complaint prescribed under section 2 of this Article is timely filed and shall remain suspended until the procedure hereinafter specified determines applicant admittance or membership denial.

### **Complaint §2**

A complaint proposing the denial of membership of any membership applicant may be filed with the Secretary or ED by any member who believes that such prospective member has violated section 2 of Article XII (integrity breach). The "proposed denial" complaint must; identify such membership applicant, clearly articulate the alleged violation and include the name and membership number of the member filing the complaint. Such complaint must be received by the SPG in writing, via fax or e-mail, within ten (10) days after the last day of the month such application for membership, at issue in such complaint, was received by the SPG.

### **Procedure on Complaint §3**

In the event an application for membership is proposed to be denied with respect to a complaint timely filed charging a violation of section 2 of this Article, admission of such applicant shall be suspended until the Board is satisfied that the alleged violation has been remedied, the complaint is set aside, or the applicant is denied admission by the Board whose decision shall be final. The Board reserves the right to investigate the circumstances at issue in such complaint in a manner and time as it deems appropriate. However, the applicant must be notified via the e-mail address provided by the applicant, within fifteen (15) days following the month of receipt by the SPG of such application for membership, that a complaint has been filed. The application, if otherwise complete upon the lapse of time prescribed in section 2 herein, will be deemed not the subject of a complaint and the applicant shall become a member.

### **Membership Renewal §4**

Each member's renewal dues are due and payable thirty (30) days prior to such member's admission anniversary date via the current method of payment authorized by the member since, or upon, admission to the SPG. The member's renewal shall be for the highest class of membership for which such member is currently qualified, as of thirty (30) days prior to such member's admission anniversary date, unless expressly requested otherwise by the member more than thirty (30) days prior to such member's admission anniversary date. In the event a Junior member will be age eighteen (18) on or before their admission anniversary date, renewal of membership to another membership class must be preceded by a revised method of dues payment by such member before the SPG will waive the "joint and several liability" clause otherwise applicable to such member irrespective of age.

### **Resignation of Membership §5**

Any member may resign. A resignation becomes effective after such member's e-mail receipt by and acknowledgment from the Secretary, ED or their designate of such member's intention to resign.

The member's resignation may not become effective if outstanding obligations by such member to SPG exist, or any legal action against such member by the Board has commenced. Reinstatement of a resigned membership shall mean re-admittance and therefore such individual would be deemed an applicant subject to

the provisions of section 1 of this Article.

## **Article VII - Government**

### **Annual Meetings §1**

The annual meeting of the SPG membership shall be held at 7:00 PM (local time) on the first Saturday in November at a physical location in California, via the business IEM, and media, unless the Board establishes another time, physical location, date(s) and notice thereof is provided to members as hereinafter specified. Matters that must be the subject of action taken at the annual meeting include, but are not limited to, the election of Directors as prescribed in Article VIII, and a vote on SPG Hall of Fame induction candidates as established by the Board. The annual meeting is the only meeting of the SPG required to be held at a physical location and is open to all eligible members (class A members in good standing).

### **Special Meetings §2**

Special meetings of the SPG membership may be called upon the affirmative vote of three-fourths (3/4) of the Board. Upon the request via e-mail of not less than five percent (5%) of the eligible class A members, a special meeting, via the business IEM and otherwise as determined by the Board, must be called within ninety (90) days and notice thereof must be provided to members as hereinafter specified. The only matters which may be at issue at a special meeting are those set forth by a majority of the class A members requesting such meeting and other matters as may be determined by the Board. Matters otherwise required to be addressed at a special meeting may be addressed at an annual meeting unless the special meeting request threshold of five percent (5%) of eligible members is met (Threshold Date) more than ninety (90) days prior to the next scheduled annual meeting; otherwise, all references to special meetings may be substituted with annual meeting as determined by the Board.

### **Notice of Meeting §3**

Notice of each annual or special meeting shall be e-mailed to each member, and posted on the website SPG business bulletin board, no more than ninety (90) nor less than thirty (30) days prior to such meeting. A special meeting notice must be given within five (5) to ten (10) days of the Threshold Date if such meeting is required to be called. All members shall be notified who are members as of the close of business as of the next business day preceding the day on which notice is given (record date of notice). The notice shall state the place and/or medium, date and time of the meeting, and, in addition to those matters required to be set forth therein otherwise by these Bylaws or by applicable law, in the case of an annual meeting, the notice shall include those matters which the Board, at the time the notice is given, intends to present for action by the Board members, and, in the case of a special meeting, the general nature of the matters at issue to be acted upon; no other matter may be considered and/or acted upon. The Secretary, or their designate, may execute an affidavit of giving such notice, which shall be prima facie evidence (or proof) thereof.

### **Quorum and Voting §4**

A quorum for the action to be taken on any matter, at any annual or special meeting, the subject of such meeting shall consist of not less than three-quarters (3/4) of the members of the Board who are present (in person or via the business IEM). The record date for determining which Board members will be entitled to vote (record date for voting) at any meeting, shall be the day of the meeting, and entitles such voting members remaining in good standing to one (1) vote on any matter noticed for action presented thereat. Such Board members who are present at a duly called and held meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Board members to leave less than a quorum, if action taken (other than adjournment) is approved by a majority, or larger percentage/ number as may be prescribed in these Bylaws, of such members required to constitute a quorum.

Voting rights are exclusive to eligible members of the Board and the SPG shall have no other voting members within the meaning of applicable nonprofit corporation law. The Board may, in its discretion, admit individuals or entities to one or more classes of nonvoting membership except as otherwise provided in these Bylaws. Class or classes of SPG membership shall have such rights and obligations as the board finds appropriate and as otherwise provided in these Bylaws.

### **Adjourned Meeting §5**

When a members' meeting is adjourned to another time or place, except as hereinafter provided, notice need not be given of an adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. No meeting may be adjourned for more than forty-five (45) days. Any business may be transacted at an adjourned meeting as may have been transacted at the original meeting.

## Article VIII - Board of Directors

### Powers §1

The activities and affairs of the SPG shall be conducted and all powers shall be by or under the direction of the Board, except as otherwise expressly provided in these Bylaws, with such powers to include, or be limited by, the following:

- To conduct, manage and control the business and affairs of the SPG, as permitted by these Bylaws.
- To prescribe and enforce rules necessary or convenient for effecting the requirements of these Bylaws, regulating SPG affairs, the conduct of its members and such other rules or procedures as, in the judgment of the Board, may be proper.
- To appoint and remove all employees and other agents as, in its judgment, may be necessary for the proper conduct of the SPG and its properties; to prescribe their duties and compensation and, whenever in its judgment it may be advisable, to require security for faithful performance of such duties.
- To authorize all necessary expenditures, to incur indebtedness and to secure payment thereof by hypothecation, pledge, mortgage, deed of trust, or otherwise, except as prohibited by these Bylaws and provided that total debt of the SPG shall not exceed seventy percent (70%) of its total asset value except as permitted in these Bylaws.
- To determine membership benefits, privileges, dues, duties, obligations, fees and other charges to members, guests and visitors as prescribed by these Bylaws and permitted by applicable law.
- To engage in activities compatible with Article III (Purpose) of these Bylaws.
- To lease and otherwise do whatever may be necessary or appropriate to the control, management and operation of the SPG, its property, and affairs; provided, however, that no sale or exchange of any of the properties of the SPG with a fair market value sum total of dispositions during any 365 day period that exceeds the lesser of \$1,000,000 or ten percent (10%) of the total value of the assets of the SPG, shall be authorized without the unanimous approval of the Board.
- To inspect the SPG's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries; such inspection may be made in person or by the director's agent or attorney at any reasonable time . The right of inspection includes the right to copy and make extracts of documents.

### Duties §2

It shall be the duty of the Board:

- To cause to be kept a complete record of all SPG Board and Committee meetings, its acts and proceedings.
- To cause to be kept adequate and correct books and records of account.
- To cause to be kept a record of each member's name, address, and class of membership.
- To engage in reasonable activities to increase the qualified membership of the SPG which includes facilitating the ability for any qualified golfing individual in the world to join via the website if such individual has access to the internet via a computer operating system compatible with English and otherwise as the SPG may facilitate.
- To maintain a quality website for all members to enjoy, access and/or utilize any and all of the benefits and privileges of membership that is technologically feasible within the constraints of the resources available from membership dues and other SPG revenue, and to maintain the confidentiality of each member as each member may designate subject to the constraints of these Bylaws and applicable law.
- To electronically publish on the website the annual report of the SPG which shall include independently reviewed financial statements sufficient to adequately disclose the financial condition of the SPG, an analysis of the membership of the SPG, and a "State of the SPG" report from the President except as otherwise provided in these Bylaws.
- To supervise and direct all officers, agents and employees of the SPG in the performance of their duties.
- To carry into effect the provisions of these Bylaws and enforce all rules and regulations.
- To not engage in any activity that would jeopardize the SPG's nonprofit corporate status under the jurisdiction of California or the USA.

No director of the SPG, nor any other corporation, firm, association, or other entity in which one or more of the SPG directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with the SPG or their affiliates, unless the material facts regarding such director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes or are known to all board members before consideration by the board of such contract or transaction, and such contract or transaction is authorized in good faith by a board vote sufficient for that purpose as prescribed in these Bylaws without counting the vote of the interested director, except as otherwise required in these Bylaws.

The SPG shall not lend any money or property to, or guarantee the obligation of, any director or officer of the SPG or of such parent, affiliate, or subsidiary unless:

- (a) the board decides that the loan or guaranty may reasonably be expected to benefit the SPG and,
- (b) before consummating the transaction or any part of it, the loan or guaranty is approved by the vote of a majority of the SPG Board then in office, without counting the vote of the director who is to receive the loan or guaranty.

### **Number §3**

During the year 2000, the government of the SPG shall be vested in the number of members identified in the Certificate of Amendment of the Articles of Incorporation filed prior to November 1, 2000; each of whom shall act in the capacity of Founding Director. As of January 1, 2001, the government shall be vested in nine (9) members, who shall be known as the Board of Directors. As of January 1, 2003, the government of the SPG shall be vested in ten (10) members who shall be known as the Board of Directors.

### **Term §4**

The Founding Directors of the Board shall each serve for a term as stipulated in the Certificate of Amendment of the Articles of Incorporation filed prior to November 1, 2000. After the year 2000, each of the Directors shall serve for a term of three (3) years, except for Founding Directors serving less than three (3) year terms and the Director holding membership number one, and continuing until the election of a successor Director become effective. Three (3) new Directors shall be elected annually for a three (3) year term commencing January 1 of the year immediately following the year of their election, except as otherwise provided in section 8 of this Article (Vacancies), and continuing until the election of a successor Director becomes effective. All current Directors and terms shall be website disclosed. The board may not extend the term of a director beyond that for which the director was elected, or reduce such term except as prescribed section 5 of this Article or section 8 of Article XII (Discipline).

### **Eligibility §5**

All class A members in good standing (eligible members) who have not been disqualified for two (2) years, who have been a class A member for three (3) years, whose period of time as a class A member multiplied by 3 exceeds the period of time since the effective date of incorporation of the SPG (February 17, 1999) as of any applicable eligibility date, or those class A members deemed as eligible by the three-fourths (¾) vote of the Board, shall be eligible to be elected and hold the position of Director. Any member who has served on a committee shall be given credit of one (1) additional month for each full month of committee service for purposes of calculating the eligible years of membership. A Director who is absent without leave or good cause for two (2) consecutive meetings of the Board may, upon the three-fourths (¾) vote of the Board, be declared to have been disqualified for forfeiting the office and thereupon ceases to be a Director. The Board shall have the power at a meeting, with or without notice, to determine whether any member of the Board has ceased to be a Director pursuant to this section. No Director who has served for a full term of three (3) years, except the Life member who has been issued membership number one (1), shall be eligible for reelection for a period of time commencing prior to two (2) years from the expiration of such Director's most recent term as a Director.

### **Nominating Procedure §6**

At least forty-five (45) days prior to the annual meeting, the Board shall appoint a committee comprised of a chairperson and four (4) other class A members in good standing, who shall constitute a Nominating Committee (NC). The member holding membership number one shall be designated Chairman of the NC. In the event no such member exists, the immediate past President of the SPG shall be designated Chairman. No more than two (2) current members of the Board may serve on the NC and at least one committee member must be a non-USA resident/citizen. As approved by majority vote, the NC shall place into nomination for the office of Director three (3) eligible nominees for such office to be filled at the election at the annual meeting by posting the names of such nominees on the website bulletin board twenty-five (25) to thirty (30) days prior to such annual meeting. Such nominees must be class A members; one (1) of whom must be under age thirty (30) and one of whom must not be a citizen or resident of the USA, each only in the event no incumbent Board member for the ensuing calendar year would meet such criteria.

A member may be nominated by e-mail request if such requests are submitted by class A members to the Secretary no later than two (2) days preceding said annual meeting. The eligible request nominee candidates receiving the two (2) largest number of requests shall be placed in nomination for the office of Director and posted in the same manner as the NC nominees. In the event no other member is timely nominated via email, the nominees submitted by the NC shall become Directors upon the approval of the incumbent Board at the Annual Meeting.

No member shall be entitled to nominate more than one (1) qualified member for the office of Director via request or otherwise, except members of the NC who are limited to the nominations of their committee. Any member nominated must be a class A member in good standing from the time of nomination through the close of the election.

### **Election §7**

In the event there shall be more Director nominees than available positions on the Board, Director nominee candidates, as determined under section 6 herein, shall be placed on a ballot provided to each current and eligible

Director of the Board. As the final action taken at the Annual Meeting, each such Director shall cast a vote on their ballot for each available Board position for the ensuing calendar year as prescribed in section 3 herein; ballots with other than the same number of votes as the number of available Board positions are disqualified.

A Director shall not cast more than one vote per candidate (non-cumulative voting). The eligible member with the highest membership number, who is physically present at this meeting and not a current Director, shall gather the qualified ballots, tally the votes and announce the results. In the event no such member is physically present, the Secretary of the SPG shall perform this duty. The number of candidates for Director who receive the highest number of votes for the available Board positions to be filled shall be declared elected to the Board.

### **Vacancies §8**

Any Director may resign from the Board upon giving written or e-mail notice to any Officer of the SPG effective immediately unless specified otherwise in such resignation. All vacancies in the Board effective during the first nine (9) calendar months of any calendar year, caused by resignation, death, removal or otherwise, shall first be filled by the Board by order of the largest number of votes for Director candidates, who in the previous Director election were not elected to the Board. Board vacancies effective during the last three (3) calendar months of any year shall first be filled by order of the largest number of votes received by members elected to the Board effective otherwise on January 1 of the ensuing calendar year. In the event no such Director nominee qualifies, exists or accepts, the vacancy shall be filled by the remaining Directors from a pool of eligible candidates including only current members of any standing committee. In the event no such committee member nominee qualifies, exists or accepts, the vacancy shall be filled by the remaining Directors from a pool of eligible candidates including any other current class A members. All vacancies are filled for the full remaining term thereof.

### **Meetings §9**

Regular meetings of the Board shall be held via the Board IEM, media, and at a physical location as may be determined by resolution of the Board so long as a quorum of Board members participating can interact and communicate with one another simultaneously. Special meetings of the Board may be called by the President, two (2) other Officers or by three (3) members of the Board, to be held via the Board IEM and media, and at any time on seventy-two (72) hours notice via e-mail and otherwise to all Board members. A quorum for action to be taken on any matter, except as provided in Article VII, section 4, shall consist of two-thirds (2/3) or more members of the Board, and a majority of such quorum, except as otherwise provided in these Bylaws, shall have the power to act as the Board. Any split (50/50) vote of the Board is settled by majority vote of Board Officers present and a split vote by such Officers is settled by the presiding officer. A quorum is not required to adjourn a meeting of the Board or on any other action to be taken, so long as such action taken is approved as required in these Bylaws of the Board members required to constitute a quorum. Any action required or permitted to be taken by the Board, except as provided in Article VII, sections 1 and 2, may be taken without a meeting and have the same force and effect as any other vote of the Board if all of the Board members consent in writing or via e-mail to such action. Any such action taken without a meeting shall be filed with the minutes of the proceedings of the Board by the Secretary.

### **Compensation §10**

A Director, acting in the capacity as such, shall not receive any salary or other compensation from the SPG.

### **Removal §11**

The Board shall be empowered to remove a Director as prescribed in section 5 of this Article or section 8 of Article XII (Discipline).

## **Article IX - Officers**

### **Election of Officers §1**

Within forty-five (45) days after the election and posting of the new Directors, and prior to the ensuing calendar year, the incumbent Board members shall elect SPG Officers other than the ED, as hereinafter specified, to serve for the ensuing calendar year. The Officers of the SPG shall be a President, Vice President (when hereinafter specified), Secretary and Treasurer, each of whom must be a voting member of the Board during their term as such Officer, and an ED, who shall not have a voting right on the Board unless the ED is a current voting member of the Board. The SPG shall add the office of Vice President (VP) effective as of January 1 of the first calendar year after SPG membership exceeds 2500 class A members on November 1<sup>st</sup> of the previous year and such office shall be filled in the same manner and at the same time as the other offices. A member shall not be entitled to hold more than one (1) officer position at any time, except the President as hereinafter specified. The Officers for 2000 shall be as identified in the Certificate of Amendment of the Articles of Incorporation filed prior to November 1, 2000. All Officers shall be website disclosed.

### **President §2**

The President shall preside over all meetings of the SPG and the Board. The President shall have general supervision and control over the affairs and operations of the SPG when the Board is not in session, shall discharge such other duties as may be required by these Bylaws or by resolution of the Board, and shall authorize or execute in the President's official capacity all conveyances, contracts and other instruments in writing. The President shall authorize or sign all checks of the SPG in excess of \$25,000 which have been approved by the Board. Except as otherwise provided in these Bylaws, the President shall at the commencement of their term in such office appoint the chairperson of all committees not otherwise predetermined, serve as ex officio (non voting) member of all committees, and shall have the power to remove no more than three (3) committee members when in the President's opinion, the best interests of the SPG shall be served thereby. The President shall prepare a report on the state of affairs, condition and current objectives of the SPG for the annual meeting. The President shall assume the duties of the VP until the office of Vice President is filled as specified in section 1 of this Article.

### **Vice President §3**

The office of Vice President shall not become effective until the applicable provisions of section 1 of this Article have been met. The duties of the VP shall include presiding over the meetings of the SPG and the Board in the absence or disqualification of the President, the appointment of eligible members to standing committee openings other than the chairperson at the commencement of the VP's term, and other duties of the SPG as required by the Board, as delegated by the President or as provided in these Bylaws.

### **Secretary §4**

In the absence or disqualification of both the President and VP, the Secretary (legal officer) shall preside over all meetings of the SPG and the Board. The Secretary shall be responsible for maintaining and safeguarding a record of the proceedings of the meetings of the SPG, the Board and each Committee. The Secretary shall cause to be kept and safeguarded, the corporate seal of the SPG, attest the Secretary's signature and affix the seal to such instruments as by order of the Board or these Bylaws the Secretary may be directed to execute. The Secretary shall cause to be served and publish all notices that may be necessary or proper via the website and otherwise in writing as required by these Bylaws and without command or direction from anyone. The Secretary shall be responsible for maintaining and safeguarding: a complete database and directory of all members as directed by the Board and required by applicable law; an accounting of all membership numbers outstanding or retired; all official correspondence to or from the SPG whether written, facsimile or via an electronic medium. The Secretary shall prepare an analysis of the membership for the annual meeting and perform such other duties as required by the President, the Board or these Bylaws.

### **Treasurer §5**

The Treasurer (financial officer) shall be responsible for the implementation and/or maintenance of adequate internal controls to safeguard all moneys and other assets of the SPG, the maintenance of a record of the accounts of every member of the SPG, and for collecting all funds due the SPG, all as the Board may decree. The Treasurer is responsible for the financial accounting and related government compliance of the SPG, and shall immediately render upon demand by the President or Board, any and all copies of financial statements, compliance filings and/or statements of account. The Treasurer shall submit at the annual meeting, the Certified Public Accountant (CPA) reviewed financial statements as of the fiscal year end; such CPA retained having been previously approved by the Board, except as otherwise prescribed in these Bylaws. The Treasurer shall perform such other related duties as required by the Board or these Bylaws.

### **Executive Director §6**

The Board shall retain an Executive Director (ED) to manage the general business affairs of the SPG under the direction of the Board and subject to whatever powers, duties and responsibilities may be delegated to, or contracted with, that individual from time to time by the Board, as authorized by these Bylaws, or as permitted by applicable law. The ED shall be present at all meetings of the SPG, and serve as an ex officio member of the Board and all committees, if not otherwise eligible to vote therein. The Board shall have the power to remove the ED from the employ of the SPG upon the vote of eight (8) Directors, either with or without cause, but without prejudice to the rights, if any, of the ED under any contract with the SPG.

### **Vacancies §7**

Officer vacancies shall be effective in the same manner as provided in section 8 of Article VIII (Board vacancies). In the event the office of VP had previously been created by operation of section 1 of this Article, a vacancy in the office of President shall be filled by the VP for such vacating President's remaining term and such vacancy filling President shall then be deemed to have vacated the office of VP. In the event a vacancy otherwise occurs in an office described in section 3, 4 or 5 of this Article, or if a vacancy in the office of President occurs when the office of VP does not exist, such office shall be filled by the majority vote of the Board that includes the new Director(s) by operation of section 8 of Article VIII (Board vacancies), and any Officer so elected shall hold such office for the remaining term of the office vacated.

## **Disqualification §8**

In addition to disqualification as prescribed elsewhere in these Bylaws, the Board shall be entitled to disqualify any elected Officer from serving in such capacity upon the unanimous vote of all other members of the Board.

## **Article X - Committees**

### **Standing §1**

Standing committees, irrespective of the Nominating Committee as prescribed in section 6 of Article VIII, include the Course Ranking, Finance, Hall of Fame, Member Duties, Membership, Social, Tournament, Website and Section committees. All standing committees and members thereof shall be posted on the website.

### **Nonstanding §2**

The President shall be empowered to establish nonstanding committees, for a period not to exceed the term of such President creating such committees, for a specific purpose to serve the best interests of the SPG. Nonstanding committees may also be subcommittees of standing committees.

### **Course Ranking §3**

The Course Ranking Committee shall consist of 3 to 5 class A members, including a Director designated as chairperson. The Committee shall plan, coordinate, prepare the press release, and forward to the website committee, any scratch player golf course rankings conducted by the SPG as approved by the Board. This committee shall also engage in other related tasks as may be conferred on this committee from time to time by the Board.

### **Finance §4**

The Finance Committee shall consist of 3 to 5 class A members, including the Treasurer designated as chairperson. The Committee shall monitor the risk management needs, employee benefits, financial investments and other financial matters of the SPG as may be conferred on it from time to time by the Board. This committee shall also work with the ED and Board approved CPA in preparing the financial statements for the annual meeting and to forward the same to the website committee.

### **Hall of Fame §5**

The Hall of Fame Committee shall consist of 5 to 7 class A members, including a Director designated as chairperson. The Committee shall engage in research pursuant to recommending to the Board candidates for induction into the SPG Hall of Fame within any parameters established by the Board. This committee shall also engage in drafting policy recommendations regarding the criteria for Hall of Fame candidate qualifications, prepare and distribute press releases on inductees, and other related tasks as the Board may assign.

### **Member Duties §6**

The Member Duties Committee shall consist of 3 to 5 class A members, including a Director designated as chairperson, who shall be the ED if a voting member of the Board. The committee shall monitor and coordinate the duty commitments for membership, draft related duty activities, and release related information to the media, as well as drafting current information thereof for disclosure on the website and forward the same to the website committee, and other related tasks as directed by the Board.

### **Membership §7**

The Membership Committee shall consist of 5 to 7 class A members, including the Secretary designated as chairperson. The committee shall implement Board approved strategy to maximize the growth of membership, resolve membership application discrepancies and complaints, refine TH and pro status criteria, maintain a current membership directory, and other related tasks as may be conferred on this committee by the Board; all such applicable data for website disclosure is forwarded to the Website committee.

### **Section §8**

The Section committee shall consist of class A members appointed by the Board as Section Captains, including the President designated as chairperson. The Committee shall monitor, coordinate and otherwise oversee their governing activities in geographical areas of the world on behalf of the SPG; and other related tasks as may be conferred on this committee by the President or the Board.

### **Social §9**

The Social Committee shall consist of 3 to 5 class A members, including a Director designated as chairperson. The committee shall identify various golf games, other golf gatherings, events or functions, monitor membership interests, and engage in other related tasks as may be conferred on this committee by the Board. This committee shall also identify any other activities of interest to members and, upon Board approval, plan,

coordinate and/or make arrangements for such activities. All applicable information / data shall be forwarded to the Website committee.

### **Tournament §10**

The Tournament Committee shall consist of 5 to 7 class A members, including a Director designated as chairperson. The committee shall plan, coordinate and conduct the Scratch Players Championship including determining and coordinating qualifying venues, entries preparation and distribution, exemptions criteria, preparation and distribution of press releases, and other matters and activities pertaining to this tournament and other tournaments approved by the Board. It shall maintain a current consolidated tournament calendar including, or linking to, entry deadlines, age and qualifying constraints, qualifying sites and dates, and other pertinent data; all such applicable data for website disclosure is forwarded to the Website committee. It shall also handle other related tasks as may be conferred on this committee from time to time by the Board.

### **Website §11**

The Website Committee shall consist of 3 to 5 class A members, including a Director designated as chairperson. The committee shall update and otherwise keep current the SPG website. Such website may include; an intranet for intra- membership communication (e-mail) and IEM's; an internet post office; description/ objectives of the SPG; a membership directory including the Board of Directors and Committees - members and responsibility; SPG bulletin boards for SPG business, used equipment, residence exchanges, jokes, etc.; affiliated golf club directory, tournament directory with entries; SPG Hall of Fame; links to golf associations/federations/unions/tours and other websites; membership application; summary of benefits, privileges, dues, fees, duties, obligations by membership class; the Bylaws; golf course profiles, data, summaries; credit/debit card capability; press releases; other website content received from other committees; and other related data as may be prescribed by the Board.

## **Article XI - Compensation, Expenses, Dues, Fees and Assessments**

### **Compensation §1**

Any member, except as prohibited in section 10 of Article VIII (Board compensation), shall be entitled to receive compensation for personal services rendered in the employ, or on behalf, of the SPG, if previously authorized by the Board.

### **Expenses §2**

Members who shall participate at the request of the SPG in activities on behalf of and as representatives of the SPG may be reimbursed for, or advanced, reasonable expenses incurred or to be incurred by them only if approved by the Board.

### **Dues §3**

Dues shall mean the amount paid in consideration of the benefits and privileges of membership for one year, or any portion thereof, from the date of admission or renewal anniversary of a member. Regardless of benefits and privileges of such membership that a member may utilize from time to time, such member is not entitled to a refund of any portion of such dues should applicable provisions of Article XII (Discipline) be enforced, or for any other reason, except as provided in these Bylaws, approved by the Board or required by applicable law.

### **Fees §4**

Fees shall include initiation fees, golf tournament entry fees, data access fees, and other fees and/or charges payable by members, guests or visitors of the SPG as determined and website disclosed by the Board.

### **Assessments §5**

The Board shall not have the power to assess the membership for any amount in excess of the annual dues of any member except as an action taken at an annual or special meeting of the membership. In the event such action is taken by the Board, no assessment becomes effective until such assessment is posted on the SPG business bulletin board and remains posted for sixty (60) days.

## **Article XII - Discipline**

### **Unbecoming Conduct §1**

Any SPG member who:

- (a) violates any provision of the Bylaws, or any rule or regulation duly adopted by the Board;
- (b) shall do anything calculated to disrupt the website order, peace, harmony or to impair the name of the SPG;
- (c) shall be negligent in or refuses to carry out duties as an Officer, Director or Committee-person;
- (d) commits any act of unsportsmanlike conduct causing them to be disqualified from any golf tournament;
- (e) by any means via the SPG website, or from data or information derived from the SPG, solicits goods

and/or services to other members of the SPG other than as permitted by the Board and these Bylaws;  
(f) engages in acts of intimidation, revenge or retaliation against any member regarding SPG matters; or,  
(g) by any means, including negligently, recklessly or knowingly, allows an entity or person not holding a membership of similar class, to access or enjoy any benefit or privilege provided by the SPG;  
(h) discriminates within the meaning prescribed in Article XVIII, section 1;

shall be deemed guilty of conduct unbecoming a member and may be reprimanded (temporary loss of rights), have benefits and privileges of membership suspended, or be expelled from the SPG whereby such member's membership is terminated, unless otherwise expressly prohibited by applicable law. The Board shall also deem a member guilty of unbecoming conduct upon the vote of two-thirds (2/3) of the Directors when, in its judgment, such conduct not otherwise articulated in this section is prejudicial to the welfare, interest or purpose of the SPG.

### **Breach of Integrity §2**

Any individual applying for membership who knowingly or recklessly provides false, misleading or inaccurate information / data as it pertains to qualifying for membership, or has a civil or criminal record pertaining to unbecoming conduct similarly described in section 1 of this Article, may be denied membership.

Any member who knowingly or recklessly provides false, misleading or inaccurate information or data, regarding such member's application for or renewal of membership, in the capacity of an Officer, as such act pertains to another member, or has a civil or criminal record pertaining to unbecoming conduct similarly described in section 1 of this Article, may be reprimanded, have benefits and privileges of membership suspended, or be expelled from the SPG (membership is terminated) by the Board unless otherwise expressly prohibited by applicable law.

### **Failure to Pay §3**

Any member who fails to satisfy dues, fees or assessment obligations within 30 days from such applicable due and/or payable date, may have their benefits and privileges of membership suspended by the Board or ED until such dues, fees and/or assessment is paid. Any member will be exempt from further dues obligations who: has been a member of the SPG for fifteen (15) full years; has served on the Board for four (4) years; or has served any combination as a Board or non-Board committee member for a total of seven (7) years except as otherwise provided in these Bylaws.

### **Failure to Maintain TH/Pro Status §4**

Any Regular, Senior or Junior member, irrespective of Charter member status, who fails to maintain the current TH or golf pro status required for their membership classification as of such member's dues due date, shall have their class of membership changed to the highest class of membership available for which they are qualified, effective upon the subsequent admission anniversary date. Any non-Life member who fails to qualify or maintain the current TH or golf pro status required for any membership classification shall have their membership in the SPG terminated unless an exception is approved by the Board.

### **Summary Suspension §5**

Any Director or Officer may suspend summarily a member for a period not to exceed thirty (30) days when there exists reasonable cause to believe that such a member has violated section 1 and/or 2 of this Article. Such suspension shall remain in effect until the next meeting of the Board, at which meeting the Board shall, in such manner as it deems proper, investigate the facts leading to the suspension and may in its discretion either set aside such summary suspension or cause a written complaint to be filed with the Secretary, in which latter case such suspension shall remain in effect until the matter is finally resolved under the procedures hereinafter specified. A summary suspension is rescinded if the Board does not act on such suspension within thirty (30) days.

### **Complaint §6**

A member of the SPG who believes that another member has violated section 1 and/or 2 of this Article may file with the Secretary a "Conduct/ Integrity" complaint in the manner otherwise prescribed in section 2 of Article VI.

### **Procedure on Complaint §7**

In the event any Board action is proposed to be taken with respect to a Conduct/ Integrity complaint filed, not less than twenty (20) days prior to such action, the Secretary shall give or shall cause to be given to the accused member a complaint notice via e-mail and/or in writing. Such notice shall set forth the action proposed to be taken and related action currently in effect, and the reasons thereof and shall provide an opportunity for the accused to be heard in writing, via e-mail, the applicable IEM, or media at a hearing conducted by the Membership committee; in any event to be held not less than five (5) days before the effective date of such proposed action. At such hearing, the accused shall have the right to have the complaint communicated in the accused's presence, to be confronted with the evidence against the accused and to provide the accused the opportunity to present evidence in their behalf. Following the hearing, the Board shall determine whether the proposed action should stand, whether additional time is necessary to obtain and review evidence, or whether the accused member

should be disciplined in some other manner, provided however, that no member shall be expelled, nor shall the accused's membership be suspended for a period in excess of ninety (90) days, except upon affirmative vote of eight (8) Directors. The determination of the Board shall be final. Any member who fails to comply with the terms of the Board's disciplinary action shall ipso facto (automatically) cease to be a member of the SPG.

### **Good Standing §8**

A member whose membership status is in good standing is not delinquent regarding any obligations to the SPG, does not have a reprimand remaining in effect, and is not suspended. Any member not in good standing for more than twenty (20) days is immediately disqualified from serving as a Director or on any committee and shall remain disqualified to serve in such capacity for two years. The Board may post the names of any member, not in good standing for over sixty (60) days, on the applicable SPG bulletin board. Eligible members are class A members in good standing.

### **Membership Termination §9**

A membership shall be terminated if a member dies, resigns, fails to maintain any current THI or golf pro status for non-Life membership, has been expelled by the Board, or otherwise ceases to be a member of the SPG. The membership number of a terminated member is retired. Any individual applying for membership in the SPG who had previously been expelled by the SPG must submit a statement with such subsequent membership application describing the reasons and/or other mitigating circumstances that should cause the Board to consider approval of such individual's subsequent application for membership. Junior members who have been expelled cease to be eligible for Junior membership, and any other member expelled ceases to be eligible for charter status or exemption from dues, should such post-expulsion application for membership be accepted. The Board may post the names of any individual whose SPG membership was terminated on the applicable SPG bulletin board.

## ***Article XIII - Adoption, Amendment, Repeal of Bylaws***

### **Board of Directors §1**

The Bylaws of the SPG have been adopted by the Founding Directors as identified in the Certificate of Amendment of the Articles of Incorporation. The adoption of any other provision, section or Article to these Bylaws is defined as an amendment thereof. Except as otherwise provided within these Bylaws, the Bylaws of the SPG may be amended or repealed by the affirmative vote of two-thirds (2/3) of the Board.

### **Posting / Effective Date §2**

Except as otherwise provided in this Article, the Effective Date for a Bylaw amendment or repeal shall be at least forty-five (45) days after the day such action taken is posted, as directed by the Secretary or ED, on the applicable website bulletin board. Non-Board members have no right to adopt new Bylaws, or to amend or to repeal these Bylaws but the Effective Date of a website posted Bylaw change is suspended if a Special Meeting of the membership is required to be called, as otherwise prescribed in section 2 of Article VII, to object to such action, in which case the Effective Date shall be postponed commencing from the Threshold Date pending the outcome of such Special Meeting; the Threshold Date, as defined in section 2 of Article VII, must precede the Effective Date.

### **Applicable Provisions §3**

Notwithstanding any other provision and/or section of this Article:

- (a) Article I (Organization), Article III (Purpose), section 6 of Article V (Charter status), sections 1, 2 and 4 of Article VII (Government), sections 1, 2, 4, 5, 6, 7, 9, 10 and 11 of Article VIII (Board of Directors), Article IX (Officers), sections 1, 2 and 3 this Article, Article XIV (Indemnity), Article XV (Affiliated Organizations), Article XVI (Property of SPG) and Article XVII (Law) may be amended or repealed only upon the unanimous approval of the Board at an Annual or Special Meeting of the SPG;
- (b) should any provision, section and/or Article of these Bylaws be deemed defective by, in conflict with, or otherwise cause the application of any security registration provision of, applicable law, the Board as otherwise prescribed in section 1, shall act only to correct such defect or alleviate such conflict so as to restore the Bylaws to compliance with applicable law devoid of any security registration requirements;
- (c) these Bylaws shall be liberally construed so as to give effect to the intent thereof and no change shall be made therein by construction which will tend to diminish or curtail such intent or the rights of SPG members;
- (d) if any provision herein requires the vote of a greater number/percentage of the Directors than the minimum required by applicable law, then such provision may not be amended or repealed except by the referenced greater vote; and,
- (e) amendments and repeals of any portion of the Bylaws as prescribed in the Bylaws Appendix shall become effective as provided thereat exempt from the application of section 2 herein.

### **Automatic Amendment / Repeal §4**

The Bylaws Appendix, and any provision therein, shall be incorporated within the Bylaws as prescribed thereof

but only until applicability to the Bylaws ceases to exist. In the event a word, phrase and/or provision of such appendix has previously amended, and/or shall no longer be applicable to, the Bylaws, such word, phrase or provision shall be deleted from such appendix. At such time when no provision of such appendix will apply or exist, such appendix, section 3(e) of this Article and this section shall be repealed exempt from the application of section 2 herein.

## **Article XIV - Indemnity of Directors**

The Board shall indemnify each present or former Director and Officer of the SPG with respect to any threatened or pending legal action or other proceeding respecting an act alleged to have been committed by such person while a Director or Officer, against all expenses, judgments, fines, settlements, and other amounts (including attorney's fees) actually and reasonably incurred by such Director or Officer related thereto, to the fullest extent permitted by applicable law. The Board may, in its sole discretion, indemnify any present or former employee or other agent of the SPG, or the estate, executor, administrator, heirs, legatees or devisees of any Director, Officer, employee or agent of the SPG, and other persons as may be described in Section 7237(a) of the California Corporations Code, with respect to any threatened or pending legal action or other proceeding involving an act alleged to have been committed by such person while serving as such Director, Officer, employee or agent, and any or all costs and expenses related thereto, if so permitted by applicable law. The Board may authorize the purchase and maintenance of insurance on behalf of any present or former Director, Officer, employee or other agent of the SPG, or the estate, executor, administrator, heirs, legatees or devisees of such person, against any liability asserted against or incurred by such Director, Officer, employee or other agent in such capacity or arising out of such status, to the extent and in the manner permitted by applicable law.

## **Article XV - Affiliated Organizations**

### **Nonprofit Organizations §1**

The SPG may form charitable Scratch Players Foundations, Scratch Players Golf Clubs complying with the affiliation requirements of applicable golf associations/federations/unions that are affiliated with the Royal & Ancient GC of St Andrews (R & A) or USGA, or otherwise affiliate with any nonprofit or charitable organization, compatible with Article III ( Purpose ); all complying with section 501(c), Title 26, of the United States Code (or the like if non-USA entity) and other applicable law, upon the vote of seven (7) members of the Board. It is the specific intent of this section that the formation of, or affiliation with, any such nonprofit organization shall not be accomplished, as a subterfuge or otherwise, to circumvent the intent, restrictions and/or prohibitions imposed under section 2 of this Article.

### **Other Organizations and Investments §2**

The SPG shall not form, affiliate with, or otherwise enter into agreements with, any individual or entity other than either, as provided in section 1 of this Article, or through or with the owner of both the trademark and servicemark rights to the name Scratch Players and the rights to the world wide web domain name, scratchplayers.org. The formation of, or affiliation with, any organization otherwise permitted herein shall be accomplished upon the vote of seven (7) disinterested members of the Board, as permitted by applicable law.

No SPG funds shall be invested in, or held by, any other individual or entity not prescribed in section 1 herein other than organizations for which an option to acquire was held by the SPG prior to November 1, 2000 except that:

- a) passive investments may be made by the SPG in no-load mutual funds, with a minimum three year, above average, category risk-to-return history, that are under the jurisdiction of the USA Securities and Exchange Commission (SEC),
- (b) funds may be held in any financial institution where all such funds are covered by USA FDIC protection and,
- (c) any other investment as unanimously approved by the Board.

## **Article XVI - Property of the SPG**

### **Member Interest in Property §1**

Memberships cannot be alienated, transferred, assigned, bequeathed, devised, or passed by the laws of inheritance or any judicial proceedings or by the operation of any law or in any other manner. No member shall have any ownership interest in the SPG. In the case of permanent dissolution of the SPG, any SPG assets shall transfer to another nonprofit organization as permitted by applicable law.

### **Membership Directory §2**

The SPG shall establish and maintain at its principal California office, a current directory of all its member's names and addresses. The SPG membership directory (MD) shall be the property of the SPG, or their affiliates, and such MD can not be copied, sold, loaned, transferred, disclosed, distributed to, or accessed, inspected,

by any individual or entity except as provided in these Bylaws, or required by applicable law. SPG MD data available on the website to its members, and as may be made available by the Board to website visitors, shall be limited as follows to:

- a) each member's name,
- b) either the primary golf club/course affiliation with location thereof, or resident city, county, parish, province, or the like; both with state and/or country and neither with any street, PO Box, email address or telephone #'s, and
- c) membership class;

and no other data except as permitted by such member in writing or via e-mail to the SPG. No SPG member solicitations, other than via a SPG affiliate, are permitted unless approved by any applicable member.

## *Article XVII - Application of Law*

### **California Law and Severance §1**

All SPG matters shall be governed by and construed under the laws of the State of California. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. In no event shall any provision, section or Article of these Bylaws deemed defective by applicable law prevent the operation of any other provision, section or Article thereof irrespective of such defect.

### **Jurisdiction §2**

As a condition of admittance, each member of the SPG unconditionally agrees to be bound exclusively by, these Bylaws, the laws of the State of California and any applicable governmental subdivision thereof, and USA laws only as may be required, and specifically not to be bound by the operation of any other law or other medium of jurisdiction worldwide, regarding any SPG related matter. It is the specific intent of this Article that no SPG member shall have any right whatsoever to adjudicate any issue with the SPG outside the jurisdiction of the State of California or any applicable governmental subdivision thereof, except as required by California law.

### **Arbitration and Prevailing Party §3**

All members unconditionally agree to binding arbitration through the American Arbitration Association office nearest to the principal office of the SPG to settle any dispute with the SPG not otherwise remedied by these Bylaws unless another medium of jurisdiction is agreed upon by the plaintiff(s) and the defendant(s). All members unconditionally agree that the prevailing party in any dispute between such member(s) and the SPG, adjudicated outside the jurisdiction of the Board, shall be entitled to all reasonable and necessary costs incurred pertaining to such dispute, including attorney's and investigator's fees, and worldwide travel expenses, from the non-prevailing party unless expressly required otherwise by California law. In no event shall the operation of any provision of these Bylaws limit or otherwise adversely affect the ability of the SPG from litigating any dispute, threat, rights infringement, or other cause of action, otherwise available worldwide to the SPG outside the jurisdiction of the Board, against any member; the intent herein is to enable the SPG to seek remedies for damages to the SPG against members otherwise outside the jurisdiction of the State of California.

### **Intellectual Property Rights §4**

Each member unconditionally agrees that all content of the website originating from the SPG is copyrighted by the SPG or treated as such, and all rights are reserved therein as the sole property of the SPG or property to which the SPG has agreements as to the right of its use. Except for information available on the public pages of the website, each member is specifically prohibited from permitting the use or access to such content, or from facilitating the use by distributing copies, printing, e-mailing, faxing or otherwise distributing or publishing such content, created for members within areas of the website legally accessible only by members, by any entity or person that is not of the identical membership class of such member. Any "sharing" of such content among members of identical class is limited to only such content available to such members as prescribed by the Board. Each member acknowledges that the "Scratch Players" trademark registration is pending, and the rights to the use thereof and to the domain name "scratchplayers.org" will be licensed or assigned to the SPG.

### **Disclaimer §5**

The SPG expressly disclaims any liability to any member due to any content appearing on the SPG website not originating from the SPG. Content not originating from the SPG includes, but is not limited to, advertising for non-SPG products or services, member posted content appearing on bulletin boards or IEM's (chatrooms), any member communication via any SPG medium and content accessed through hyperlinks from the website. Content originating from the SPG shall include any communication from an SPG Officer, Director, Committee member, agent or employee to any other member, or information or data posted by the SPG on the website by an SPG Officer, Director, Committee member or employee. Each member hereby additionally agrees unconditionally to be bound by all such disclaimers described herein.

## *Article XVIII - Miscellaneous Provisions*

### **Member Responsibilities §1**

In addition to other responsibilities or duties as may be provided in these Bylaws or by the Board:

- Each member shall agree as a condition of admission that they can reasonably be expected to possess sufficient website navigation skills and capabilities to handle all SPG and related website protocol.
- All members shall become sufficiently familiar with the SPG Bylaws, rules and regulations so as to preclude ignorance of rights, duties and acts to be avoided so as to remain in good standing and not the subject of SPG discipline or litigation action; ignorance or negligence thereof shall not be recognized as an excuse or defense for any violation of such responsibility. In the event any member is uncertain as to the application of the SPG Bylaws, rules or regulations that may apply to an act of such member, it is such member's responsibility to contact the SPG pursuant to clarifying the SPG Bylaws, rules or regulations applicability to such act.
- The Board shall provide these Bylaws, including any amendments, and other text or content as prescribed in these Bylaws, in a printable format via the website and it is each SPG member's responsibility to obtain such by printing directly from the website, as otherwise permitted by these Bylaws, via non-SPG printer equipment.
- It is each member's responsibility to treat all members equally irrespective of political affiliation, socioeconomic position, age, sex, sexual orientation, ethnic origin, religious beliefs, or geographic residence, except as otherwise prescribed in these Bylaws.

### **Records & Reports §2**

Except as otherwise provided in these Bylaws or expressly required by applicable law:

- No written, printed, copy, facsimile or any other form of the SPG Bylaws and other SPG text, records, documents, membership lists including any identifying or contact information, minutes, accounting books, or otherwise shall be provided by the SPG to any member, individual or entity, unless and in a manner approved by the Board or permitted by these Bylaws.
- The SPG shall keep at any of its offices the original or a copy of the SPG Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection by its members at all reasonable times during office hours. If the SPG is unable to provide its Articles of Incorporation or Bylaws on the website for more than 72 hours, the Secretary or ED shall, upon the written or email request of any member, furnish to that member a copy of such Articles of Incorporation and Bylaws, as amended to date.
- Upon written or email demand on the SPG at least 72 hours in advance, any member may inspect the accounting books and related records, and the minutes of the proceedings of the Board and Committees at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection may be made in person or by the member's agent or attorney. This right of inspection extends to the records of any subsidiary of the SPG but specifically bars any member from removing or obtaining copies of any SPG (or subsidiary) document, record or other property.
- The board shall cause an annual report to be provided to each director and published on the website within 120 days after the end of the SPG's fiscal year unless the SPG receives less than \$25,000 in gross receipts during the fiscal year. In any event, the information specified for inclusion in such an annual report must be furnished annually to all SPG directors and such report shall contain the following information, in appropriate detail, for the fiscal year of the SPG:
  - (a) the assets and liabilities, including any trust funds, as of the end of the fiscal year,
  - (b) the principal changes in assets and liabilities, including any trust funds,
  - (c) the revenue or receipts of the SPG for such year, both unrestricted and restricted to particular purposes,
  - (d) the expenses or disbursements of the SPG for both general and restricted purposes,
  - (e) any other information required by these Bylaws.

The annual report shall be accompanied by any report on such by independent accountants or, if there is no such report, by the certificate of an authorized officer of the corporation that such statements were prepared without audit from the SPG's books and records.

### **Certain Transactions and Indemnifications §3**

As part of the annual report to all directors, or as a separate document if no annual report is issued, the SPG shall annually prepare and furnish to each director a statement of any transaction or indemnification of the following kind within 120 days after the end of the corporation's fiscal year:

- (a) Any transaction, (i) in which the SPG, its parent, or its subsidiary was a party, (ii) in which an "interested person" (individual or entity) had a direct or indirect material financial interest, and

(iii) which involved more than \$50,000, or was one of a number of transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either of the following:

- (1) Any director or officer of the SPG, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or
  - (2) Any holder of more than 10 percent of the voting power of the SPG, its parent, or its subsidiary. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the SPG, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.
- (b) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the SPG as permitted by these Bylaws, unless the loan or guaranty is not subject to the provisions of section 7235(a) of the California Corporations Code.

## *Bylaws Appendix*

The adoption, amendment and/or repeal of bylaws is intended to be, or should be, an action that is not easily or quickly accomplished. The normal process for amending or repealing provisions, sections or Articles of the SPG Bylaws requires either a two-thirds (2/3) or unanimous vote of the Board, subject to objection by the class A members at a special meeting of the membership as may be called; all with posting requirements and the lapse of at least 45 days before such amendments and repeals can take effect.

There are certain provisions and sections of the SPG Bylaws that are scheduled to be automatically amended or repealed when such provisions become outdated, are no longer necessary for the Bylaws to operate as intended, or to avoid action otherwise required to be taken by the Board that could be unnecessarily cumbersome, time consuming and/or a distraction from policy matters that the Board should be primarily concerned with in the interest of the SPG membership. Every Bylaw provision or section that is to be automatically amended or repealed, and the applicable time of such amendment/repeal is disclosed hereinafter.

Prior to the year 2001, the Board shall have the power to amend the number of committee members in sections 3 through 11 and adopt the provisions of sections 12 through thereafter of Article X which shall pertain to committee member terms, quorums, officers, policies, commissioners, procedures, and other committee related matters so long as such provisions do not conflict with applicable law and any other provision of these Bylaws.

As of January 1 of 2001, the following provisions shall be repealed:

The first sentence and opening phrase of the second sentence of section 3 of Article VIII

- ◆ *During the year 2000, the government of the SPG shall be vested in the number of members identified in the Certificate of Amendment of the Articles of Incorporation filed prior to November 1, 2000; each of whom shall act in the capacity of Founding Director. As of January 1, 2001,*  
(pertains to the number of Directors for the year 2000 only; unnecessary & outdated after 2000)

The first sentence and opening phrase of the second sentence of section 4 of Article VIII

- ◆ *The Founding Directors of the Board shall each serve for a term as stipulated in the Certificate of Amendment of the Articles of Incorporation filed prior to November 1, 2000. After the year 2000,*  
(pertains to the terms of the Directors for the year 2000 only; unnecessary & outdated after 2000)

The second to last last sentence of section 1 of Article IX

- ◆ *The Officers for 2000 shall be as identified in the Certificate of Amendment of the Articles of Incorporation filed prior November 1, 2000.*  
(pertains only to Officers for the year 2000; unnecessary & outdated after 2000)

As of January 1 of the first calendar year after SPG membership exceeds 2500 class A members on November 1<sup>st</sup> of the previous year, the following provisions shall be repealed:

The language within the parentheses in the second sentence of section 1 of Article IX identified as follows:

- ◆ *(when hereinafter specified)*  
(pertains only when office of Vice President has not been established; outdated after VP assumes office)

The third sentence of section 1 of Article IX

- ◆ *The SPG shall add the office of Vice President ( VP ) effective as of January 1 of the first calendar year after SPG membership exceeds 2500 class A members on November 1<sup>st</sup> of the previous year and such office shall be filled in the same manner and at the same time as the other offices.*  
(pertains only when office of Vice President has not been established; outdated after VP assumes office)

The last sentence of section 2 of Article IX

- ◆ *The President shall assume the duties of the VP until the office of Vice President is filled as specified*

*in section 1 of this Article.*

(pertains only when office of Vice President has not been established; outdated after VP assumes office)

The first sentence of section 3 of Article IX

◆ *The office of Vice President shall not become effective until the applicable provisions of section 1 of this Article have been met.*

(pertains only when office of Vice President has not been established; outdated after VP assumes office)

The first phrase of the second sentence and the second phrase of the third sentence of section 7 of Article IX

◆ *In the event the office of VP had previously been created by operation of section 1 of this Article, and or if a vacancy in the office of President occurs when the office of VP does not exist,*

(pertains only when office of Vice President has not been established; outdated after VP assumes office)

As of January 1 of 2003, the following provisions shall be repealed:

The phrase in section 3 of Article VIII identified as follows:

◆ *the government shall be vested in nine (9) members, who shall be known as the Board of Directors.*

(pertains to the number of Directors prior 2003; outdated after 2002)

The first phrase of the last sentence of section 3 of Article VIII

◆ *As of January 1, 2003,*

(unnecessary as of this date)

The phrase in section 4 of Article VIII identified as follows:

◆ *Founding Directors serving less than three (3) year terms and*

(no Founding Directors serving less than 3 year terms will be on the Board after 2002)

As of any applicable date, the following provision shall be amended:

The first phrase in the last sentence of section 4 of Article XVII identified as follows:

*Each member acknowledges that the "Scratch Players" trademark registration is pending,*

Shall be amended if and when such pending status may be clarified.

**The overall objective in the automatic repeal process is to mitigate the attention of the Board and/or members regarding addressing issues that are not necessary to the focus of SPG and to eliminate unnecessary provisions from the Bylaws when their useful life has expired.**