

BY-LAWS
OF
SMALL BUSINESS COUNCIL OF AMERICA, INC.

ARTICLE I.

MEMBERSHIP

1.1 Qualifications. Any person, firm, partnership, association, or corporation which is interested in promoting an economic climate and laws and policies conducive to the prosperity of small businesses and their owners and employees may become a member of this corporation.

1.2 Admission of Members. A person, firm, partnership, association, or corporation may be admitted as a member upon filing a written application with the corporation and upon receiving the approval of the President, subject to review by the Board of Directors and the payment of any initiation fees and annual dues.

1.3 Resignation. Any member may withdraw from the corporation after fulfilling all obligations to it by giving written notice of such intention to the corporation. Such resignation shall become effective upon receipt of the notice or upon such date after receipt as may be specified in the notice.

1.4 Suspension. A member may be suspended for a period or expelled if it is believed to be for the best interest and welfare of the corporation. Suspension or expulsion shall be by a majority vote of the Board of Directors.

1.5 Classes of Membership. The Board of Directors may from time to time, prescribe such classes of membership as it shall deem appropriate, and prescribe the rights, privileges, and duties of such classes, provided, however, that all members shall be entitled to vote with respect to amendment of the Articles of Incorporation and bylaws of the corporation, election of directors, and merger, consolidation or dissolution of the corporation.

1.6 Liabilities of Members. No member shall be personally liable to creditors of the corporation for any indebtedness or liability, and any and all creditors of the corporation shall look only to the assets of the corporation for payment.

ARTICLE II.

DUES

2.1 Annual Dues. The Board of Directors may determine from time to time the amount of initiation fee, if any, and annual dues payable to the corporation by members. The Board of Directors may determine that different classes of membership shall pay different initiation fees and different dues.

2.2 Payment of Dues. Annual dues shall be payable in advance on the first day of January in each fiscal year. Dues of new members shall not be prorated, except that new members who are admitted within three (3) months of the end of the fiscal year shall pay one-half of the normal dues for such year.

2.3 Default and Termination of Membership. When any member shall be in default in the payment of dues for a period of three (3) months from the beginning of the fiscal year, or period for which such dues become payable, his membership may be suspended or terminated by the Board of Directors as provided in Article 1.4 of these By-Laws.

ARTICLE III.

MEETINGS

3.1 Annual Meetings. Commencing in 1980 and thereafter, there shall be an annual meeting in each year for election of members of the Board of Directors and for receiving the annual reports of officers, directors, and committees and the transaction of other business. The date and time of the meeting shall be designated by the Board of Directors and shall be communicated in writing to each member by notice of a meeting signed by the Secretary to be mailed to the last recorded address of each member at least ten (10) days and not more than thirty (30) days before the time appointed for the meeting. All notices of meetings shall set forth the place, date, time and purpose of the meeting.

3.2 Special Meetings. Special meetings may be called by the Board of Directors at its discretion. Upon the written request of twenty (20) percent of the members, the Board of Directors shall call a special meeting to consider a specific subject. Notice of any special meeting is to be given in the same manner as for the annual meeting. No business other than that specified in the notice of the

meeting shall be transacted at any special meeting of the members of the corporation.

3.3 Waiver. Notwithstanding the provisions of any of the foregoing sections, a meeting of the members of this corporation may be held at any time and at any place within or without the District of Columbia, and any action may be taken at such meeting, if notice is waived in writing by every member having the right to vote at the meeting.

3.4 Quorum. The presence in person or by proxy of the lesser of a majority of the voting members or fifty (50) voting members shall be necessary to constitute a quorum for the transaction of business.

3.5 Voting. If the manner of deciding any question has not otherwise been prescribed, it shall be decided by majority vote of the members present in person or by proxy, and each member shall have one vote. Any firm, partnership, association or corporation may be represented at any meeting by any member of its staff delegated by it for that purpose; but each firm, partnership, association or corporation shall be entitled to only one vote.

3.6 Proxies. Every member of the corporation entitled to vote at any meeting thereof may vote in proxy. The proxy shall be in writing and revocable at the pleasure of the member executing it. Unless the duration of the proxy is specified, it shall be invalid after six (6) months from the date of its execution.

3.7 Order of Business. The Secretary of the corporation shall prepare an agenda of the business to be transacted at each meeting of the members of the corporation. The Secretary shall cause the agenda to be distributed to each member attending said meeting at the commencement of the meeting. Any question as to priority of business shall be decided by the chair without debate. However, the agenda and any order of business may be altered or suspended at any meeting by a majority vote of the members present.

3.8 Action by Consent. Any action required or permitted to be taken by vote at a meeting of the members may be taken without a meeting if written consent setting forth the action so taken is signed by all the members entitled to vote thereon, and filed with the Secretary of the corporation. Such consent shall have the same force and effect as a unanimous vote of the members.

ARTICLE IV.

DIRECTORS

4.1 Number. The property, affairs, activities and concerns of the corporation shall be governed by a Board of Directors consisting of not less than ten (10) and not more than thirty (30) members, plus the Chairman of the Board of Directors, each of whom is a current member of the corporation, in good standing. In addition, all officers of the corporation, with the exception of any assistant officers, shall serve as ex-officio member of the Board of Directors, with all rights and privileges, including the right to vote, during

their term of office. The number of directors to serve on the Board of Directors shall be specified from time to time by resolution of the Board of Directors. The members of the Board of Directors shall, upon election, immediately enter upon the performance of their duties and shall continue in office until their successors shall be duly elected and qualified.

4.2 Election of Directors and Term. The initial Board of Directors shall consist of the directors listed in the Articles of Incorporation. These directors shall elect, by majority vote, a Chairman of the Board of Directors, and officers of the corporation, which officers shall become ex-officio members of the Board of Directors for their term in office, plus such additional directors as shall be required to bring the number of directors, exclusive of the chairman and of officers, up to ten (10). These ten (10) directors shall serve three (3) year terms. As soon as practical after adoption of these by-laws, the directors shall elect by majority vote up to ten (10) additional directors who shall serve two (2) year terms, and up to ten (10) additional directors who shall serve one (1) year terms. Thereafter, directors shall be elected by the members of the corporation, at the annual meeting, for three (3) year terms. Any member of the Board of Directors shall be eligible for re-election.

4.3 Duties of Directors. The Board of Directors may hold meetings at such times and places as it deems proper; admit members and suspend or expell them by ballot; appoint

committees on particular subjects from the members of the Board, or from other members of the corporation; audit bills and disburse the funds of the corporation; carry on correspondence and communicate with legislative bodies, government agencies and officials, and other persons and associations in matters of concern to the corporation; print and circulate documents and publish articles; carry on correspondence and communicate with other associations interested in matters of concern to the corporation; employ agents, including, but not limited to an Executive Director and Legal Counsel, and determine the terms of their employment; and devise and carry unto execution such other measures as it deems proper and expedient to promote the objects of the corporation and to best protect the interests and welfare of the members.

4.4 Meetings of the Board. Regular meetings of the Board of Directors shall be held annually. Notice of each meeting, signed by the Secretary, shall be mailed to the last recorded address of each member of the Board at least ten (10) days before the time appointed for the meeting. A distribution of minutes of a meeting containing the designation of a time, date and place of the next regular meeting of the Board shall constitute notice of the meeting so designated. The Chairman of the Board or the President of the corporation may, when he deems necessary, or the Secretary shall at the request in writing of ten (10) members of the Board, issue a call for a special meeting of the Board, and only five (5) days' notice shall be required for such special meetings.

4.5 Quorum. A majority of the Board of Directors shall constitute a quorum for transaction of business. If a quorum is not present, a lesser number may adjourn the meeting to a later date, not more than thirty (30) days later.

4.6 Vacancies. Whenever any vacancy occurs in the Board of Directors by death, resignation, or otherwise, it shall be filled without undue delay by majority vote of the remaining members of the Board of Directors. The person so chosen shall hold office until the next annual meeting, at which time an election shall be held to fill the remaining unexpired term. The initially chosen person shall be eligible for such election.

4.7 Compensation. Directors shall not receive a salary for their services as Directors; but, by resolution of the Board, the expenses of attendance may be allowed for attendance at each meeting of the Board. A Director may serve the corporation in a capacity other than that of Director and receive compensation for the services rendered in the other capacity.

4.8 Chairman. The Board of Directors shall elect one of the Directors as Chairman of the Board by majority vote. The term of the Chairman shall be the same as the term of a Director. The Chairman shall preside at all meetings of the Board of Directors, shall be the chief executive officer of the corporation, shall have general responsibility for the operation of the corporation, and shall have such other duties as

the Board may from time to time prescribe.

4.9 Action by Consent. Any action to be taken at a meeting of the Directors, or any action that may be taken at a meeting of the Directors, may be taken without a meeting if a consent which may be in the form of minutes of a meeting, in writing, setting forth the action so taken, shall be signed by all the Directors.

ARTICLE V.

OFFICERS

5.1 Titles of Officers. The corporation shall have a Chairman of the Board, a President, a Secretary, a Treasurer, one (1) or more Vice Presidents and such other officers as the Board of Directors may designate and elect. One person may be elected to more than one office, except that the offices of President and Secretary may not be held by the same person. All officers, with the exception of assistant officers, shall be ex-officio members of the Board of Directors with all rights and privileges, including the right to vote.

5.2 Election. The officers shall be elected by the Board of Directors and shall serve at the pleasure of the Board.

5.3 Removal and Vacancies. Any officer may be removed by a vote of a majority of the entire Board whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Election or appointment of an officer shall not of itself create contract rights. Any vacancy, however occurring, shall be filled by the Board.

5.4 President. The President shall be the chief operating officer of the corporation and shall have active management of the operation of the corporation. He shall operate under the general supervision of the Chairman of the Board of Directors, whose duties are specified in Section 4.8 hereof. He shall be responsible for the administration of the corporation, including supervision of its policies, active management of its financial affairs and shall execute bonds, mortgages or other contracts under the seal of the corporation. He shall only borrow money on behalf of the corporation pursuant to written authority which may be general authority from the Board of Directors. The President shall have the authority to institute or defend legal proceedings when the Directors are deadlocked. He shall preside at all meetings of members and discharge the duties of a presiding officer, shall present at each annual meeting of the members a report of the business of the corporation for the preceding fiscal year, and shall perform whatever other duties the Board of Directors may from time to time prescribe. The Board of Directors, the Chairman of the Board of Directors, or the President may delegate to an Executive Director or to Legal Counsel such functions of the President as may be in the best interests of the efficient day-to-day management of the corporation.

5.5 Secretary. The Secretary shall keep minutes of all meetings of the members and Directors and have charge of the minute books and seal of the corporation and shall perform such other duties and have such other powers as may from time to time be delegated to him by the President or the Board of Directors.

5.6 Treasurer. The Treasurer shall be charged with the management of the financial affairs of the corporation and shall have the power to recommend action concerning the corporation's financial affairs to the President and shall perform such other duties and have such other powers as may from time to time be delegated to him by the President or Board of Directors.

5.7 Vice President. A Vice President shall act in the place and stead of the President at meetings in the absence or disability of the President, and shall otherwise perform such other and further duties as may be delegated by the President or the Board of Directors.

5.8 Other Officers. Any other officers designated and elected by the Board of Directors shall have such duties as shall be delegated to them by the President or the Board of Directors.

5.9 Compensation. In the discretion of the Board of Directors, one or more of the officers of the corporation may be paid compensation by the corporation. The compensation of other agents and employees of the corporation may be fixed by the Board of Directors or by an officer to whom

that function has been delegated by the Board.

ARTICLE VI.

EXECUTIVE COMMITTEE

6.1 Appointment. The Board of Directors, by resolution adopted by a majority of the full board, may designate three or more of its members to constitute an Executive Committee. The designation of such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

6.2 Authority. The Executive Committee, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors except to the extent, if any, that such authority shall be limited by the resolution appointing the Executive Committee and except also that the Executive Committee shall not have the authority of the Board of Directors in reference to amending the Articles of Incorporation, adopting a plan of merger or consolidation, recommending to the members the sale, lease or other disposition of all or substantially all of the property and assets of the corporation otherwise than in the usual and regular course of its business, recommending to the members a voluntary dissolution of the corporation or a revocation thereof, or amending the by-laws of the corporation.

6.3 Tenure and Qualifications. Each member of the Executive Committee shall hold office until his successor is designated, by the Board of Directors pursuant to paragraph

6.1 of these By-laws, as a member of the Executive Committee.

6.4 Meetings. Regular meetings of the Executive Committee may be held without notice at such times and places as the Executive Committee may fix from time to time by resolution. Special meetings of the Executive Committee may be called by any member thereof upon not less than three day's notice stating the place, date and hour of the meeting, which notice may be written or oral, and if mailed, shall be deemed to be delivered when deposited in the United States mail addressed to the member of the Executive Committee at his business address. Any member of the Executive Committee may waive notice of any meeting and no notice of any meeting need be given to any member thereof who attends in person. The notice of a meeting of the Executive Committee need not state the business proposed to be transacted at the meeting. Any meeting of the Executive Committee may be held by telephone.

6.5 Quorum. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting thereof and action of the Executive Committee must be authorized by the affirmative vote of a majority of the members present at a meeting at which a quorum is present.

6.6 Action without a Meeting. Any action that may be taken by the Executive Committee at a meeting may be taken without a meeting if a consent in writing, setting forth the action to be so taken, shall be signed, before such action is implemented, by all of the members of the Executive Committee.

6.7 Vacancies. Any vacancy in the Executive Committee may be filled by a resolution adopted by a majority of the Board of Directors.

6.8 Resignations and Removal. Any member of the Executive Committee may be removed at any time with or without cause by resolution adopted by a majority of the full Board of Directors. Any member of the Executive Committee may resign from the Executive Committee at any time by giving written notice to the President or Secretary of the corporation, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.9 Procedure. The Executive Committee shall elect a presiding officer from its members and may fix its own rules of procedure which shall not be inconsistent with these by-laws. It shall keep minutes of its proceedings and report the same to the Board of Directors for its information at the meeting thereof held next after the proceedings shall have been taken.

ARTICLE VII.

INDEMNIFICATION

7.1 Persons Indemnified. Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the corporation) by reason of the fact that he is or was a director, officer, employee or agent of this

corporation, or a similar position for another corporation, partnership, joint venture, trust or other enterprise at the request of this corporation, shall be indemnified by this corporation, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him in the defense, settlement or otherwise in connection with such action, suit or proceeding, if he acted in a manner he reasonably believed to be in or not opposed to the best interests of this corporation, and with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

7.2 Indemnification Right. Determination of the right to such indemnification and the amount thereof may be made, at the option of the person to be indemnified, pursuant to procedure set forth from time to time in the by-laws or by any of the following procedures: (a) order of the court of administrative body or agency having jurisdiction of the action, suit or proceeding, (b) resolution adopted by a majority of a quorum of the Board of Directors of the corporation

without counting in such majority or quorum any Directors who have incurred expenses in connection with such action, suit or proceeding, (c) resolution adopted by a majority of a quorum of the members entitled to vote at any meeting, or (d) order of any court having jurisdiction over the corporation. Any such determination that a payment by way of indemnity should be made shall be binding upon the corporation. Such right of indemnification shall not be exclusive of any other right which such Directors, officers and employees of the corporation and the other persons above mentioned may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification or reimbursement under any bylaw, agreement, vote of members, provision of law, insurance policy, or otherwise, as well as their rights under this Article. The provisions of this Article shall apply to any member of any committee appointed by the Board of Directors as fully as though such person had been a director, officer or employee of the corporation.

7.3 Payment. A disinterested majority of the Board of Directors of this corporation or a majority of a quorum of the members entitled to vote at a meeting shall be authorized to pay to any person entitled to indemnification under this Article, all actual expenses incurred in connection with such action, suit, or proceeding during the pendency thereof.

7.4 Intent. It is the intention of this corporation that this Article of the by-laws of this corporation and the

indemnification hereunder shall extend the maximum indemnification possible under the laws of the District of Columbia, and if any one or more words, phrases, clauses, sentences, or sections of this Article should be held unenforceable for any reason, all remaining portions of this Article shall remain of full force and effect.

ARTICLE VIII.

AMENDMENT

8.1 Generally. The Articles of Incorporation or the by-laws may be amended at any meeting of the members of the corporation by the affirmative vote of a majority of all members present in person or by proxy at such meeting or may be amended by a unanimous vote of the Board of Directors provided that such amendment shall be ineffective after the date of the next annual meeting of the members unless approved at that meeting by an affirmative vote of a majority of all the members present in person at said meeting.

8.2 Limitation of Power to Amend. Anything herein to the contrary notwithstanding, no change be made in the Articles of Incorporation or in these by-laws which will affect adversely the nonprofit status of the corporation under Section 01(c)(6) of the Internal Revenue Code of 1954, as amended.

ARTICLE IX.

DISTRIBUTION OF INCOME AND ASSETS

9.1 Generally. No part of the income, or of the assets, of the corporation shall inure to the benefit, or be

distributed to, its members, or its officers or directors, or to other private persons, provided, however, that nothing herein shall restrict the right of the corporation to indemnify pursuant to the provisions of Article VII of these by-laws, to pay reasonable compensation for services rendered, or to make payments and distributions to further the purposes set forth in the Articles of Incorporation.

9.2 Dissolution. In the event of the dissolution of the corporation, any assets remaining after payment of all liabilities and obligations of the corporation shall be distributed in such manner, consistent with the provisions of the District of Columbia Nonprofit Corporation Act, and Section 501(c)(6) of the Internal Revenue Code of 1954, as amended, as shall be determined by the Board of Directors to be in furtherance of the objectives and purposes of the corporation as set forth in the Articles of Incorporation, and the decision of the Board of Directors with respect to distribution of such assets shall be binding upon all interested parties.

ARTICLE X.

MISCELLANEOUS

10.1 Seal. The seal of the corporation shall be in such form as the Board of Directors may from time to time determine, and shall initially be in the following form:

SMALL BUSINESS COUNCIL OF AMERICA, INC.

CORPORATE SEAL

DISTRICT OF COLUMBIA

In the event it is inconvenient to use such a seal at any time, the signature of the corporation followed by the word "SEAL" enclosed in parentheses or scroll, shall be deemed the seal of the corporation. The seal shall be in the custody of the Secretary and affixed by him on any corporate documents as may be directed by law, by these by-laws, or by the President or by the Board of Directors. The presence or absence of the corporate seal on any instrument, or its addition thereto, shall not affect the character, validity, or legal effect of the instrument in any respect.

10.2 Registered Office. The initial address of the registered office and name of the registered agent of the corporation are stated in the Articles of Incorporation. The registered office and registered agent of the corporation may be changed from time to time by the Board of Directors. The corporation may establish offices in such other places both within and without the District of Columbia as the Board of Directors may from time to time determine.

10.3 Interested Directors. No contract or other transaction between this corporation and any other person, firm, partnership, association or corporation shall be affected or invalidated by the fact that any of the members of the Board of Directors of this corporation are interested in or are members, shareholders, governors, directors or officers of such firm, partnership, association or corporation; and no contract, act or transaction of this corporation with any person, firm, partnership, association or corporation shall be affected or invalidated

by the fact that any members of the Board of Directors of this corporation are parties to or interested in such contract, act or transaction or are in any way connected with such person, firm, partnership, association or corporation. Each and every individual who may become a member of the Board of Directors of this corporation is hereby relieved of any liability that might otherwise exist from contracting with this corporation for the benefit of himself or any firm, partnership, association or corporation which he may, in any way, be interested.

10.4 Headings. The Article and Section headings contained herein are for the convenience of reference only and shall in no way be construed as a party of these by-laws.

CERTIFICATE OF SECRETARY

I, Stanley H. Hackett, Secretary of the Small Business Council of America, Inc., formed and existing under the laws of the District of Columbia, do hereby certify that the foregoing is a true and complete copy of the by-laws of this corporation as submitted to, read to, and adopted at the organizational meeting of the Board of Directors held on the 3d day of February, 1979.

IN WITNESS WHEREOF, I have hereunder subscribed my name and affixed the seal of this corporation, this 4th day of February, 1979.

Stanley H. Hackett
Secretary

(CORPORATE SEAL)