

**BYLAWS  
OF  
USA SEIWAKAI KARATE ORGANIZATION  
(A Texas Nonprofit Corporation)**

**ARTICLE 1  
INTRODUCTION**

1.01. PURPOSE OF BYLAWS. These Bylaws (“Bylaws”) govern the affairs of USA Seiwakai Karate Organization, a nonprofit corporation (the “Corporation”) organized under the Texas Business Organizations Code, Chapter 22 (the “Act”).

1.02. DEFINITIONS. Unless defined otherwise in these Bylaws, words and phrases defined in the Act shall have the same meaning when used in these Bylaws. The following words and phrases shall have specified meanings when used in these Bylaws:

- (a) “Board” or “Board of Directors” means the Board of Directors of USA Seiwakai Karate Organization, the group of persons vested with the management of the affairs of the Corporation.
- (b) “Board Meeting” means a deliberation between a quorum of the voting Board, or between a quorum of the voting Board and another person, during which Corporation business is considered and the Board takes formal action; and does not include the gathering of a quorum of the Board at a social function unrelated to the business of the Corporation or the attendance of the Board at a regional, state, or national convention or ceremonial event, or press conference, if formal action is not taken and any discussion of Corporation business is incidental to the social function, convention, ceremonial event, or conference.
- (c) The “Code” means the Texas Business Organizations Code, as it may be amended from time to time.
- (d) “Director” means a member of the Board of Directors of the Corporation.
- (e) “Fundamental Action” means: (1) an amendment of a certificate of formation, including an amendment required for the cancellation of an event requiring winding up in accordance with Section 11.152(b) of the Code; (2) a voluntary winding up under Chapter 11 of the Code; (3) a revocation of a voluntary decision to wind up under Section 11.151 of the Code; (4) a cancellation of an event requiring winding up under Section 11.152(a) of the Code; (5) a reinstatement under Section 11.202 of the Code; (6) a distribution plan under Section 22.305 of the Act; (7) a plan of merger under Subchapter F of the Act; (8) a sale of all or substantially all of the assets of a corporation under Subchapter F of the Act; (9) a plan of conversion under Subchapter F of the Act; or (10) a plan of exchange under Subchapter F of the Act.

- (f) “Governing documents” means, collectively, these Bylaws, the Certificate of Formation, and any other policies of the Corporation.
- (g) “Majority” means more than 50 percent.
- (h) “Member” means a voting member of the Corporation.
- (i) "Ordinary care" means the care that an ordinarily prudent person in a similar position would exercise under similar circumstances.
- (j) “Officer” means an Officer of the Corporation. “President,” “Vice-President,” “Secretary,” and “Treasurer” mean, respectively, the President, Vice-President, Secretary, and Treasurer of the Corporation.

1.03. MISSION STATEMENT. USA Seiwakai Karate Organization is a Nonprofit Corporation whose purpose is the promotion of Goju-Ryu Karatedo in the United States open to all students without regard to race, gender, age, sexual orientation, or national origin. The purpose is passing on the inherent benefits of traditional Goju-Ryu Karate -- good character, individual growth, cooperation, and self-defense for the benefit of our communities, as well as supporting our members who participate in regionally, nationally, and internationally sponsored sport karatedo events.

## **ARTICLE 2 OFFICES**

2.01. PRINCIPAL OFFICE. The principal office of the Corporation in the State of Texas shall be located at 143 Oak Lane, Johnson City, Texas 78636. The Corporation may have such other offices, either in Texas or elsewhere, as the Board may determine. The Board may change the location of any office of the Corporation.

2.02. REGISTERED OFFICE AND REGISTERED AGENT. The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation’s principal office in Texas. The Board may change the registered office and the registered agent as provided in the Act.

## **ARTICLE 3 NONPROFIT PURPOSES**

3.01. TAX EXEMPTION. The Corporation is organized exclusively for one or more of the purposes as specified in section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under 501(c)(3) of the Code.

## **ARTICLE 4**

## MANAGEMENT

4.01. MANAGEMENT. The Board of Directors shall manage the affairs of the Corporation.

4.02. NUMBER, QUALIFICATIONS, AND TENURE OF DIRECTORS. The powers of the Corporation shall be exercised by, or under the authority of, a board of directors. The Board shall consist of seven (7) Directors. The number of Directors may be changed by amendment of these Bylaws, but shall not be less than three (3) or more than seven (7), provided that no decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. At the first election after the expiration of the term of the initial Directors listed in the Certificate of Formation, and at every election thereafter, Directors shall be elected for a term of three (3) years. No Director shall serve more than two (2) consecutive terms. A Director shall not be required to be a resident of this state, but shall be required to be a Member of the Corporation in good standing, of Sandan rank or higher, and at least 25 years of age.

4.03. NOMINATION OF DIRECTORS. The Directors shall nominate successor Directors. Within thirty (30) days prior to an election of Directors, a Director may nominate a person with the second of any other Director. In addition to nominations by Directors, a nominating committee may consider nominees.

4.04. ELECTION OF DIRECTORS. A person who meets the qualification requirements herein to be a Director and who has been duly nominated may be elected as a Director. Directors, other than the initial Directors, shall be elected by the vote of the Members at the annual meeting of the Members in person or by proxy, or by mail, electronic mail, or a combination of mail and electronic mail. A Member entitled to vote at an election of Directors is entitled to vote for as many persons as there are Directors to be elected and for whose election the Member has a right to vote. Cumulative voting shall not be allowed. A Director takes office upon the adjournment of the meeting or balloting at which he is elected and, absent, death, ineligibility, resignation, or removal, will hold office until his successor is elected.

4.05. REMOVAL. A Director may be removed from office, with cause, by an affirmative vote of the remaining Directors. If the Board is presented with written, documentary evidence from a database or other record maintained by a governmental law enforcement authority that a Director has been convicted of a crime of moral turpitude, the Director is immediately ineligible to serve on the Board, is automatically considered removed from the Board, and is prohibited from future service on the Board.

4.06. RESIGNATION. A Director may resign by providing written notice of such resignation to the Corporation. The resignation shall be effective upon the date of receipt of the notice of resignation or the date specified in such notice. Acceptance of the resignation shall not be required to make the resignation effective.

4.07. VACANCIES. Vacancies on the Board shall exist upon: (a) the death, ineligibility, resignation, or removal of any Director; (b) an increase in the authorized number of Directors; or (c) the failure of the Members to elect the full authorized number of Directors

to be voted for at any annual, regular, or special meeting of the Members at which any Director is to be elected. The Board may declare the office of a Director vacant if a court adjudges the Director incompetent, the Director is convicted of a crime involving moral turpitude, or the Director does not accept the office of Director, in writing or by attending a meeting of the Board of Directors, within thirty (30) days' of such Director's election. A vacancy in the Board of Directors shall be filled by the affirmative vote of the majority of the remaining Directors, regardless of whether that majority is less than a quorum. A Director elected to fill a vacancy is elected for the unexpired term of the Director's predecessor in office. A vacancy in the Board occurring because of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of Members called for that purpose. Vacancies reducing the number of Directors to less than three (3) shall be filled before the transaction of any other business.

4.08. ANNUAL MEETING OF DIRECTORS. On the third Sunday in February of each year, or, with the consent of the Directors, on another date within one week thereof, the Directors shall convene an annual meeting. In the event the Board of Directors fails to call the annual meeting at the designated time, any Director may make demand that such meeting be held within a reasonable time, such demand to be made in writing by electronic mail directed to all Officers of the Corporation.

4.09. REGULAR MEETING OF DIRECTORS. Regular meetings of the Board of Directors may be held with or without notice at such time and place as may be from time to time determined by the Board of Directors.

4.10. SPECIAL MEETINGS OF DIRECTORS. The Secretary shall call a special meeting of the Board of Directors whenever requested to do so by the President or by any two (2) directors. Such special meeting shall be held at the date and time specified in the notice of meeting.

4.11. PLACE OF DIRECTORS' MEETINGS. All meetings of the Board of Directors shall be held either at the principal office of the Corporation or at such other place, either within or without the State of Texas, as shall be specified in the notice of meeting or executed waiver of notice.

4.12. AGENDA FOR MEETINGS. An Agenda shall be sent to all Directors two (2) weeks prior to a meeting of the Board and new items may be added to the agenda up to three (3) days prior to the meeting.

4.13. NOTICE OF DIRECTORS' MEETINGS. Notice of any special meeting of the Board of Directors shall be delivered to each Director not less than at least seventy-two (72) hours before the start of the meeting. The notice shall state the place, date, and time of the meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Notice may be delivered personally or by mail, facsimile, or electronic mail.

4.14. QUORUM. A majority of the number of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the Directors present may adjourn and reconvene the meeting one time without further notice. A Director present by proxy at a meeting may not be counted toward a quorum.

4.15. CONDUCT OF MEETINGS. At every meeting of the Board of Directors, the President of the Corporation, shall preside, and if not, the Vice President. The Secretary of the Corporation shall act as Secretary of the Board of Directors. When the Secretary is absent from any meeting, the President, or the person presiding, may appoint any person to act as Secretary of the meeting.

4.16. ACTION BY DIRECTORS. The vote of a majority of Directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or these Bylaws. A Director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors. For the purpose of determining the decision of the Board of Directors, a Director who is represented by proxy in a vote is considered present.

4.17. ACTION WITHOUT MEETING OF DIRECTORS. An action required to be taken at a meeting of the Corporation's Directors or an action that may be taken at a meeting of the Directors or a committee may be taken without a meeting if a written consent, stating the action to be taken, is signed by the number of directors or committee members necessary to take that action at a meeting at which all of the directors or committee members are present and voting. The consent must state the date of each Director's or committee member's signature. Prompt notice of the taking of an action by Directors or a committee without a meeting by less than unanimous written consent shall be given to each Director or committee member who did not consent in writing to the action.

4.18. PROXIES. A Director may vote by proxy executed in writing by the Director. No proxy shall be valid after three (3) months from the date of its execution.

4.19. POWERS OF THE BOARD. In addition to the powers and authorities expressly conferred by these Bylaws upon them, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not directed or required to be exercised or done by statute, the Certificate of Formation, or these Bylaws.

4.20. DUTIES OF DIRECTORS. Directors shall discharge their duties, including any duties as committee members, in good faith, with Ordinary Care, and in a manner they reasonably believe to be in the best interest of the Corporation. In the discharge of any duty imposed or power conferred on Directors, they may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the

Corporation or another person that were prepared or presented by a variety of persons, including Officers and employees of the Corporation, professional advisors or experts such as accountants or attorneys. A Director is not relying in good faith if the Director has knowledge concerning a matter in question that renders reliance unwarranted.

Directors are not deemed to have the duties of trustees of a trust with respect to the Corporation or with respect to any property held or administered by the Corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property.

Directors shall have the following informal duties: (1) ensure that the Corporation acts in the best interests of the majority of its Members; (2) set priorities for the advancement and proper operation of the Corporation; (3) strive to make the Corporation a respected and professional karate organization in the USA and internationally; and (4) set an example of cooperation and good character for the organization.

4.21. DUTY TO AVOID IMPROPER DISTRIBUTIONS. Directors who vote for or assent to improper distributions, are jointly and severally liable to the Corporation for the value of improperly distributed assets, to the extent that debts, obligations, and liabilities of the Corporation are not thereafter paid and discharged. Any distribution made when the Corporation is insolvent, other than in payment of corporate debts, or any distribution that would render the Corporation insolvent is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for all known debts, obligations, and liabilities, is also improper. Directors participating in a board meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the Secretary before adjournment or mailed to the Secretary by registered mail or E Mail immediately after adjournment.

A Director is not liable if, in voting for or assenting to a distribution, the Director (1) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Corporation; legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or a committee of the Board of Directors of which the Director is not a member; (2) while acting in good faith and with ordinary care, considers the assets of the Corporation to be at least that of their book value; or (3) in determining whether the Corporation made adequate provision for payment, satisfaction, or discharge of all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, Directors are protected from liability if, in the exercise of ordinary care, they acted in good faith and in reliance on the written opinion of an attorney for the Corporation.

Directors who are held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

4.22. DELEGATION OF DUTIES. Directors are entitled to select advisors and delegate duties and responsibilities to them, such as the full power and authority to purchase or otherwise acquire stocks, bonds, securities, and other investments on behalf of the Corporation; and to sell, transfer, or otherwise dispose of the Corporation's assets and properties at a time and for a consideration that the advisor deems appropriate. The Directors have no liability for actions taken or omitted by the advisor if the Board of Directors acts in good faith and with ordinary care in selecting the advisor. The Board of Directors may remove or replace the advisor, with or without cause.

4.23. COMPENSATION. A Director shall not be entitled to receive any pecuniary profit for the operation of the Corporation, and no dividend or assets of the Corporation shall be distributed to, or inure to the benefit of a Director; provided, however that a Director may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred on behalf of the Corporation in connection with the administration of the affairs of the Corporation. Any expense in excess of \$100 shall be approved by the Board prior to a Director incurring such expense.

4.24. ADVISORY DIRECTORS. The Board of Directors may elect advisory directors as they see fit. The Advisory Directors shall have not have a vote, but may attend all Board of Director meetings and participate in the discussion like the regular Directors.

The current Vice President of Seiwakai International shall be an Advisory Director.

4.25. EMPLOYEES. The Board may employ independent contractors or employees as deemed necessary, and may prescribe their duties.

## **ARTICLE 5 OFFICERS**

5.01. OFFICER POSITIONS. The officers of the Corporation shall be a President, a Secretary, a Treasurer and one Vice President. The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect persons to fill the positions. The same person, except the offices of President and Secretary, may hold any two or more offices.

5.02. GENERAL DUTIES. All Officers and agents of the Corporation, as between themselves and the Corporation, shall have such authority, perform such duties and manage the Corporation as may be provided in these Bylaws or as may be determined by resolution of the Board of Directors not inconsistent with these Bylaws.

5.03. ELECTION AND TERM OF OFFICE. The Board of Directors at its annual meeting shall elect the Officers of the Corporation. Officers shall be elected from the Directors serving on the Board at the time of the election of Officers. If the election of Officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each Officer shall be elected for a term of three (3) years and shall hold office until a successor is duly selected and qualified. An Officer serving as Secretary or Treasurer may be elected to succeed

himself or herself in the same office, but shall not serve more than two (2) consecutive terms in such office. The offices of President and Vice President shall be limited to one (1) term.

In order to be elected to the office of President or Vice-President, a Director must have already served at least one (1) full term as a Director and must be Godan rank or above. If no Director currently serving on the Board meets such criteria, then the offices of President and Vice-President shall be open to all Directors. The offices of Secretary and Treasurer are open to all Directors.

5.04. REMOVAL AND RESIGNATION. A majority of Directors may remove any Officer with cause, as that term is defined by the Board, at any regular meeting of the Board or at any special meeting of the Board called for that purpose. An Officer may resign at any time by giving written notice to the Board. Unless the notice of resignation states otherwise, it is effective when received by the Board and does not require acceptance by the Board. The resignation or removal of an Officer shall also constitute resignation or removal from the Board.

5.05. STANDARD OF CARE. An Officer is not liable to the Corporation or any other person for an action taken or omission made by the Officer in the person's capacity as an Officer unless the Officer's conduct was not exercised in good faith with ordinary care, and in a manner the Officer reasonably believed to be in the best interest of the Corporation. This section shall not affect the liability of the Corporation for an act or omission of the Officer.

5.06. VACANCIES. The Board of Directors may fill the vacancy in any office for the unexpired portion of that Officer's term.

5.07. PRESIDENT. The President shall be the chief executive officer of the Corporation and a member of the Board of Directors. The President shall supervise and control all of the business and affairs of the Corporation. The President shall preside at all meetings of the Members and of the Board of Directors. The President may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed. However, the President may not execute instruments on behalf of the Corporation if this power is expressly delegated to another officer or agent of the Corporation by the Board of Directors, the Bylaws, or statute. The President shall perform other duties prescribed by the Board of Directors and all duties incident to the office of President.

The President represents the USA as head of the Board of Directors, and acts as direct liaison between the Corporation and Seiwakai International.

5.08. VICE PRESIDENT. When the President is absent, is unable to act, or refuses to act, a Vice President may perform the duties of the President. When a Vice President acts in place of the President, the Vice President shall have all the powers of and be subject to all the restrictions upon the President. If there is more than one Vice President, the Vice Presidents shall act in place of the President in the order of the votes received when elected. A Vice President shall perform other duties as assigned by the President or Board of Directors.



The Vice President shall act as the Board's Parliamentarian and shall be responsible for overseeing the following duties: (1) editing and publishing the Corporation's Newsletter on a bi-monthly basis, (2) maintaining the website content, and (3) submitting relevant events and postings to the Pan American Facebook page and the Corporation's social media pages.

5.09. TREASURER. The Treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- (b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- (c) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided in the Bylaws or as directed by the Board of Directors or the President.
- (d) Write checks and disburse funds to discharge obligations of the Corporation.
- (e) Maintain the financial books and records of the Corporation.
- (f) Prepare financial reports at least annually, but provides income/expense reports and balance sheets at each meeting of the Board.
- (g) Perform other duties as assigned by the President or by the Board of Directors.
- (h) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.
- (i) Perform all the duties incident to the office of Treasurer.
- (j) Maintain responsibility for annual member dojo billings.
- (k) Ensure all expenses of the Corporation are paid as due.

5.10. SECRETARY. The Secretary shall:

- (a) Give all notices as provided in the Bylaws or as required by law.
- (b) Take minutes of the meetings of the Members and of the Board of Directors and keep the minutes as part of the corporate records.
- (c) Forward minutes of the meetings of the Board to each member dojo within ten (10) days' after the date such minutes were approved by the Board.
- (c) Maintain custody of the corporate records and of the seal of the Corporation.

- (d) Affix the seal of the Corporation to all documents as authorized.
- (e) Keep a register of the mailing address of each Director, Officer, and employee of the Corporation.
- (f) Perform duties as assigned by the President or by the Board of Directors.
- (g) Perform all duties incident to the office of Secretary.
- (h) Act as the direct liaison for the Publicity and Membership Committee.

5.11. ASSISTANT OFFICERS. The Board of Directors may appoint one or more assistant secretaries and one or more assistant treasurers. Each assistant secretary and each assistant treasurer shall hold office for such period as the Board of Directors may prescribe. Any assistant secretary may perform any of the duties or exercise any of the powers of the Secretary or otherwise as occasion may require in the administration of the business and affairs of the Corporation, and any assistant treasurer may perform any of the duties or exercise any of the powers of the Treasurer at the request or in the absence or disability of the Treasurer or otherwise as occasion may require in the administration of the business and affairs of the Corporation. Each assistant secretary and each assistant treasurer shall perform such other duties and/or exercise such other powers, if any, as the Board of Directors shall prescribe. To establish the authority of an assistant secretary or an assistant treasurer to take any action on behalf of the Corporation in place of the Secretary or the Treasurer, as the case may be, it shall not be necessary to furnish proof of any request by, or of the absence or disability of, the Secretary or Treasurer or any other assistant secretary or assistant treasurer, respectively.

5.12. DISALLOWED PAYMENTS. Any payments made to an Officer of the Corporation such as a salary, commission, bonus, interest or rent, or reimbursement for an expense incurred by such Officer, which is disallowed in whole or in part as an acceptable expense by the Internal Revenue Service, shall be reimbursed by such Officer to the Corporation to the full extent of such disallowance. It shall be the duty of the Directors, as a Board, to enforce payment of each such amount disallowed.

## **ARTICLE 6 COMMITTEES**

6.01. ESTABLISHMENT OF NEW COMMITTEES. The Board of Directors, by resolution adopted by a majority of Directors at a meeting at which a quorum is present, may establish one or more committees delegating specified authority to a committee, and appoint or remove members of a committee based upon such member's professional qualifications and the organizational needs of the Corporation. A committee may include persons who are not Directors, provided, however, that all committee members shall be Members of the Corporation. If the Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of Directors. The Board of Directors may establish other qualifications for membership on a committee. The Board of Directors may delegate to the President its power

to appoint and remove members of a committee that has not been delegated any authority of the Board of Directors. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual Director, of any responsibility imposed by the Bylaws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:

- (a) Amend the Certificate of Formation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation.
- (d) Authorize the voluntary dissolution of the Corporation.
- (e) Revoke proceedings for the voluntary dissolution of the Corporation.
- (f) Adopt a plan for the distribution of the assets of the Corporation.
- (g) Amend, alter, or repeal the Bylaws.
- (h) Elect, appoint, or remove a member of a committee or a Director or Officer of the Corporation.
- (i) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in paragraph 8.05, below.
- (j) Take any action outside the scope of authority delegated to it by the Board of Directors.

6.02. TERM OF OFFICE. Each member of a committee shall continue to serve on the committee until a successor is appointed or the committee is terminated. However, the term of a committee member may terminate earlier if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

6.03. CHAIRPERSON. One member of each committee shall be designated as the chair of the committee. The chair shall be elected by the members of the committee or appointed by the President of the Corporation. The chair shall call and preside at all meetings of the committee and shall report directly to the President.

6.04. COMMITTEE REPORTS. The committee chairs shall make a written report of the committee's activities and deliver such report to the Board no later than two (2) weeks prior to any meeting of the Board.

6.05. NOTICE OF MEETINGS. Written or printed notice of a committee meeting shall be delivered to each member of a committee not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall state the place, day, and time of the meeting, and the purpose or purposes for which the meeting is called.

6.06. QUORUM. One-half ( $\frac{1}{2}$ ) of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. If a quorum is present at no time during a meeting, the chair may adjourn and reconvene the meeting one time without further notice.

6.07. ACTIONS OF COMMITTEES. The vote of a majority of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or these Bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

6.08. PROXIES. A committee member may vote by proxy executed in writing by the committee member. No proxy shall be valid after eleven (11) months from the date of its execution.

6.09. COMPENSATION. Committee members may not receive salaries for their services. A committee member may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a committee member shall be commensurate with the services rendered and shall be reasonable in amount.

6.10. RULES. Each committee may adopt rules for its own operation not inconsistent with the Bylaws or with rules adopted by the Board of Directors, including the method and frequency of meetings of the committee.

6.11. EXISTING COMMITTEES. The following committees shall be created by these Bylaws:

(a) USA Seiwakai Women's Advisory Committee. The Committee shall consist of a chairperson and two additional women of Sandan or above rank, who are Members of the Corporation in good standing, to serve as the Women's Advisory Committee, whose purpose is to:

- (i) advise the Board of any issues impacting, attracting and retaining women karateka;
- (ii) serve as safe liaison for any issues affecting women in the organization;

- (iii) report infractions directly to the Board of Directors; and
- (iv) advise the Board of issues or concerns of USA Seiwakai women practitioners.

(b) USA Seiwakai Publicity and Membership Committee. The Committee shall consist of a chairperson and two additional Members of the Corporation in good standing, who are Sandan or above rank, to serve as the Publicity and Membership Committee, whose purpose is to:

- (i) represent the Corporation in the most positive light to other karateka and their organizations, with the intent of attracting and retaining Members;
- (ii) advise the Board on matters of the Corporation's promotion, member attraction and retention, general branding and advertising, and visibility; and
- (iii) recommend expenditures to the Board that will advance membership and public awareness of Seiwakai USA and the Seiwakai International Organization.

## **ARTICLE 7 MEMBERSHIP**

7.1. ANNUAL MEETING. Annual meetings of the Members shall be held within thirty (30) days prior to the Annual Meeting of the Directors each year. If the term of any Director is set to expire in the year of the meeting, and a successor Director has not already been elected by a vote prior to the meeting, the Members shall elect Directors in accordance with these Bylaws at the Annual Meeting of the Members. The Members may also transact such other business of the Corporation as may properly come before them. Notwithstanding any other provision in these Bylaws, the Board shall call an Annual Meeting of the Members of the Corporation.

7.2. FAILURE TO CALL ANNUAL MEETING. If the Board does not call an Annual Meeting of the Corporation Members, a Member may demand that a meeting of the Corporation be called not later than the sixty-first (61st) day after the date of the Member's demand. The Member's demand must be made in writing and sent by certified mail, return receipt requested, to an Officer of the Corporation. If a required annual meeting is not called before the sixty-first (61<sup>st</sup>) day after the date of demand, a member of the corporation may compel the holding of the meeting by legal action directed against the Board, and each of the extraordinary writs of common law and of courts of equity are available to the Member to compel the holding of the meeting. Each Member has a justiciable interest sufficient to enable the Member to institute and prosecute the legal proceedings.

Failure to hold a required annual meeting at the designated time does not result in the winding up and termination of the Corporation.

7.3. SPECIAL MEETINGS. A special meeting of the Members of the Corporation may be called by the President, by the Board, or by Members having not less than one-tenth (1/10<sup>th</sup>) of the votes entitled to be cast at the meeting. Such meeting shall be held within thirty (30) days after the request of the President, the Board resolution, or the vote of the Members. No business, except the purpose stated in the notice of the meeting, shall be transacted at a special meeting.

7.4. PLACE OF MEETINGS. Meetings of the Corporation shall be held at a place to be designated by the Board in the notice of the meeting.

7.5. NOTICE OF MEETINGS. Not later than the tenth (10th) day or earlier than the sixtieth (60th) day before the date of a meeting of the Members of the Corporation, the Board shall give written notice of the place, date, and time of the meeting, and if a special meeting, the purpose or purposes for which the meeting is called, to each Member entitled to vote at the meeting. Notice may be delivered in person or by mail, facsimile, or electronic mail.

7.6. RECORD DATES.

7.6.1. Determining Notice Eligibility. The Board shall fix a date as the record date for determining the Members entitled to notice of a meeting of the Corporation. The record date may not be more than sixty (60) days before the date of a meeting of the Corporation at which Members will vote.

7.6.2. Determining Voting Eligibility. The Board shall fix a date as the record date for determining the Members entitled to vote at a meeting of the Corporation. The record date may not be more than sixty (60) days before the date of a meeting of the Corporation at which Members will vote.

7.6.3. Determining Rights Eligibility. The Board shall fix a date as the record date for determining the Members entitled to exercise any rights other than those described in the preceding two paragraphs. The record date may not be more than sixty (60) days before the date of the action for which eligibility is required, such as a nomination to the Board.

7.6.4. Adjournments. A determination of Members entitled to notice of or to vote at a meeting of the Corporation is effective for any adjournment of the meeting unless the Board fixes a new date for determining the right to notice or the right to vote. The Board must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than ninety (90) days after the record date for determining Members entitled to notice of the original meeting.

7.7. MEMBERS. Members of the Corporation shall be comprised of Yudansha instructors of dojos associated with the Corporation who hold the rank of Sandan or above. The Corporation, as determined by the Board from time to time, may also allow a person who is not associated with a dojo, but who holds the rank of Sandan or above, to be a Member. Such member shall be designated as a “member-at-large” and shall have the same voting rights as

other Members. The Board shall have the power to change or add to current membership requirements.

7.8. VOTING MEMBERS LIST. The Board shall prepare and make available a list of the Corporation's voting Members in accordance with Section 22.158 of the Act. After setting a record date for the notice of a meeting, the Corporation shall prepare an alphabetical list of the names of all its voting members. The list must identify: (1) the Members who are entitled to notice and the Members are not entitled to notice, (2) the address of each voting Member, and (3) the number of votes each voting Member is entitled to cast at the meeting. Not later than the second (2nd) business day after the date notice is given of a meeting for which a list was prepared in accordance with this section, and continuing through the meeting, the list of voting Members must be available at the Corporation's principal office or at a reasonable place in the municipality in which the meeting will be held, as identified in the notice of the meeting, for inspection by Members entitled to vote at the meeting for the purpose of communication with other Members concerning the meeting.

A voting Member or voting Member's agent or attorney is entitled on written demand to inspect and, at the Member's expense and subject to Section 22.351 of the Act, copy the list at a reasonable time during the period the list is available for inspection. The Corporation shall make the list of voting Members available at the meeting. A voting Member or voting Member's agent or attorney is entitled to inspect the list at any time during the meeting or an adjournment of the meeting.

7.9. QUORUM. Members of the Corporation holding one-tenth of the votes entitled to be cast, in person or by proxy, constitute a quorum. If a quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present and represented.

7.10. ACTION BY MEMBERS. The vote of the majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present is the act of the Members, unless the vote of a greater number is required by law or these bylaws.

7.11. VOTES. Each Member of the Corporation is entitled to one (1) vote on each matter submitted to a vote of the Corporation's Members. There shall be no cumulative voting. The vote of a Member may be cast or given in person or by proxy at a meeting of the Corporation, or by mail, facsimile transmission, electronic message, or any combination of these methods in accordance with these Bylaws.

7.12. PROXIES. Unless otherwise provided by the proxy, a proxy is revocable and expires eleven (11) months after the date of its execution. A proxy may not be irrevocable for longer than eleven (11) months.

7.13. VOTE REQUIRED TO APPROVE FUNDAMENTAL ACTION. Except as otherwise provided by Subsection (c) or (d), the vote required for approval of a fundamental

action is at least two-thirds (2/3) of the votes that members present in person or by proxy are entitled to cast at the meeting at which the action is submitted for a vote.

## **ARTICLE 8 TRANSACTIONS OF THE CORPORATION**

8.01. CONTRACTS. Except when the governing documents require execution of certain instruments by certain individuals, the Board may authorize any Officer or agent of the Corporation to execute instruments on behalf of the Corporation, by written resolution. In the absence of Board designation, the President and the Vice-president shall be the only persons authorized to execute instruments on behalf of the Corporation.

8.02. DEPOSITS. All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board of Directors selects.

8.03. GIFTS. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

8.04. LOANS. The Corporation shall not make any loan to a Director or Officer of the Corporation.

8.05. INTERESTED DIRECTORS. This provision applies only to a contract or transaction between the Corporation and one or more of its Directors or Officers, or between the Corporation and an entity or other organization in which one or more of the Corporation's Directors or Officers is a managerial official or has a financial interest.

An otherwise valid contract or transaction is valid notwithstanding that a Director, Officer, or Member of the Corporation is present at or participates in the meeting of the Board of Directors, of a committee of the Board, or of the Members that authorizes the contract or transaction, or votes or signs, in the person's capacity as a Director or committee member, a unanimous written consent of Directors or committee members to authorize the contract or transaction, if: (1) the material facts as to the relationship or interest and as to the contract or transaction are disclosed to or known by (a) the Corporation's Board of Directors, a committee of the Board of Directors, or the Members, and the Board, the committee, or the Members in good faith and with ordinary care authorize the contract or transaction by the approval of the Majority of the disinterested Directors, committee members or Members, regardless of whether the disinterested Directors, committee members or Members constitute a quorum; or (b) the Members entitled to vote on the authorization of the contract or transaction, and the contract or transaction is specifically approved in good faith and with ordinary care by a vote of the Members; or (2) the contract or transaction is fair to the Corporation when the contract or transaction is authorized, approved, or ratified by the Board of Directors, a committee of the Board of Directors, or the Members. Common or interested Directors or Members of the Corporation may be included in determining the presence of a quorum at a meeting of the Board, a committee of the Board, or Members that authorizes the contract or transaction.



8.06. PROHIBITED ACTS. As long as the Corporation is in existence, and except with the prior approval of the Board of Directors, no Director, Officer, or committee member of the Corporation shall:

- (a) Do any act in violation of the Bylaws or a binding obligation of the Corporation.
- (b) Do any act with the intention of harming the Corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- (d) Receive an improper personal benefit from the operation of the Corporation.
- (e) Use the assets of this Corporation, directly or indirectly, for any purpose other than carrying on the business of this Corporation.
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (g) Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
- (h) Disclose any of the Corporation business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

## **ARTICLE 9 BOOKS, RECORDS, AND REPORTS**

9.01. BOOKS AND RECORDS. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the meetings of the Board of Directors, committees, and Members, and shall keep, at the registered office or principal office in this State, a record of the names and addresses of its Members entitled to vote. A Member, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, the books and records of the Corporation relevant to that purpose, at the expense of the Member.

9.02. FINANCIAL RECORDS AND ANNUAL REPORTS. The Corporation shall maintain current and accurate financial records with complete entries as to each financial transaction of the Corporation, including income and expenditures, in accordance with generally accepted accounting principles. Based on these records, the Board shall annually prepare or approve a financial report for the Corporation for the preceding year. The report must conform to accounting standards as adopted by the American Institute of Certified Public Accountants and must include:

- (a) a statement of support, revenue, and expenses;
- (b) a statement of changes in fund balances;
- (c) a statement of functional expenses; and
- (d) a balance sheet for each fund.

9.03. AVAILABILITY OF FINANCIAL INFORMATION FOR PUBLIC INSPECTION. The Corporation shall keep records, books, and annual reports of the Corporation's financial activity at the Corporation's registered or principal office for three (3) years after the close of the fiscal year. The Corporation shall make the records, books, and reports available to the public for inspection and copying at its registered or principal office during regular business hours. So long as the Corporation remains exempt from federal income tax under the Internal Revenue Code, the Corporation shall maintain a file containing all documents required by the Internal Revenue Service to be made available to the public. The Corporation shall receive and respond as required by Internal Revenue Service guidelines to requests from the public for copies of the Corporation's Form 1023 and Form 990. The Corporation may charge a reasonable fee for providing copies, which fee shall not exceed the Internal Revenue Service guidelines for providing copies.

## **ARTICLE 10 INDEMNIFICATION**

### 10.01. WHEN INDEMNIFICATION IS REQUIRED, PERMITTED, AND PROHIBITED.

- (a) The Corporation shall indemnify a Director or Officer of the Corporation who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Corporation. However, the Corporation shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Corporation's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Corporation shall not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if a court of competent jurisdiction has adjudged the person liable and all appeals have been exhausted.
- (b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.
- (c) The Corporation shall indemnify a Director or Officer against reasonable expenses actually incurred by the person in connection with a proceeding in which the

person is a respondent because the person is or was a Director or Officer if the person is wholly successful, on the merits or otherwise, in the defense of the proceeding.

(d) The Corporation may pay or reimburse expenses incurred by a Director, Officer, committee member, employee, or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Corporation when the person is not a named defendant or respondent in the proceeding.

(e) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a Director, Officer, committee member, employee, or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 10.01(a), above.

(f) Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by these Bylaws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by the Corporation or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

(g) If the Corporation may indemnify a person under these Bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

#### 10.02. PROCEDURES RELATING TO INDEMNIFICATION PAYMENTS.

(a) Before the Corporation may pay any indemnification expenses (including attorney's fees), the Corporation shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 10.02(c), below. The Corporation may make these determinations and decisions by any one of the following procedures:

- (i) Majority vote of a quorum consisting of Directors who, at the time of the vote, are not named defendants or respondents in the proceeding;
- (ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting solely of two or more Directors who at the time of the vote are not named defendants or respondents in the proceeding;

- (iii) Determination by special legal counsel selected by the Board of Directors by vote as provided in paragraph 10.02(a)(i) or 10.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors;
- (iv) The Members of the Corporation in a vote that excludes the vote of each Director or Officer who is not disinterested and independent; or
- (v) a unanimous vote of the Members.

(b) If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by paragraph 10.02(a)(iii), above, governing the selection of special legal counsel. A provision contained in the Certificate of Formation, these Bylaws, or a resolution of Members or the Board of Directors that requires the indemnification permitted by paragraph 10.01 above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Corporation shall pay indemnification expenses before final disposition of a proceeding only after the Corporation determines that the facts then known would not preclude indemnification and the Corporation receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 10.02(a), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under these Bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

## **ARTICLE 11 NOTICES**

11.01. NOTICES. Any notice required or permitted by these Bylaws to be given to a Director, Officer, Member, or committee member of the Corporation may be given in any manner allowed by the Act. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Corporation, with postage prepaid and in a sealed wrapper. If notice is served by facsimile or email, the person giving notice shall retain records sufficient to prove actual delivery to the appropriate number or email address. A person entitled to be given notice shall provide all necessary information regarding the same by giving written notice to the Secretary of the Corporation.

11.02. SIGNED WAIVER OF NOTICE. Whenever any notice is required to be given under the provisions of the Act or under the provisions of the Certificate of Formation or these Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

11.03. WAIVER OF NOTICE BY ATTENDANCE. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

## **ARTICLE 12 SPECIAL PROCEDURES CONCERNING MEETINGS**

12.01. MEETINGS BY REMOTE COMMUNICATIONS TECHNOLOGY. A meeting of the Members of the Corporation, the Board of Directors, or any committee designated by the Board may be held by means of a conference telephone or similar communications equipment, another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination of those means, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons participating in the meeting. If voting is to take place at the meeting, the entity must implement reasonable measures to verify that every person voting at the meeting by means of remote communications is sufficiently identified; and keep a record of any vote or other action taken.

12.02. VOTING BY PROXY. A person who is authorized to exercise a proxy may not exercise the proxy unless the proxy is delivered to the Officer presiding over the meeting before the business of the meeting begins. The secretary or other person taking the minutes of the meeting shall record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy. If a person who has duly executed a proxy personally attends a meeting, the proxy shall not be effective for that meeting. A proxy filed with the secretary or other designated officer shall remain in force and effect until the first of the following occurs:

- (a) An instrument revoking the proxy is delivered to the secretary or other designated officer;
- (b) The proxy authority expires under the terms of the proxy; or
- (c) The proxy authority expires under the terms of these Bylaws.

## **ARTICLE 13 AMENDMENTS TO BYLAWS**

The Board of Directors may alter, amend, or repeal, or enact new Bylaws. Proposed amendments to the Bylaws shall be sent to member dojos for a review period of two (2) weeks.

After comments or objections are received and addressed, the Board shall vote on each proposed amendment to the Bylaws. The notice of any meeting at which the Bylaws are altered, amended, or repealed, or at which new Bylaws are adopted shall include the text of the proposed Bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

## **ARTICLE 14 MISCELLANEOUS PROVISIONS**

14.01. LEGAL AUTHORITIES GOVERNING CONSTRUCTION OF BYLAWS. The Bylaws shall be construed in accordance with the laws of the State of Texas. All references in the Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

14.02. CONFLICTING PROVISIONS. If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, such conflicting Bylaws provision shall be null and void, but all other provisions of these Bylaws shall remain in full force and effect. In the case of any conflict between the Certificate of Formation and these Bylaws, the Certificate of Formation shall control.

14.03. HEADINGS. The headings used in the Bylaws are used for convenience and shall not be considered in construing the terms of the Bylaws.

14.04. GENDER. Wherever the context requires, all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

14.05. SEAL. The Board of Directors may provide for a corporate seal. Such a seal would consist of two concentric circles containing the words “ ” in one circle and the word “Incorporated” together with the date of incorporation of the Corporation in the other circle.

14.06. FISCAL YEAR. The fiscal year of the Corporation shall be the calendar year.

14.07. POWER OF ATTORNEY. A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the Secretary of the Corporation to be kept with the Corporation records.

14.08. PARTIES BOUND. The Bylaws shall be binding upon and inure to the benefit of the Directors, officers, committee members, employees, and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the Bylaws.

The undersigned members of the Board of Directors have executed these Bylaws effective the \_\_\_\_ day of \_\_\_\_\_, 2021.

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James Pounds, Director

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Mark Cramer, Director

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Chris Perry, Director

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James Daly, Director

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Kevin Moskie, Director

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Robert DaLessio, Director

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Sanjit Mandal, Director