

BYLAWS OF
PACIFIC COAST COUNCIL OF CUSTOMS
BROKERS AND FREIGHT FORWARDERS ASSOCIATIONS, INC.
A California Nonprofit Mutual Benefit Corporation
Revised July 24, 2004

ARTICLE I
NAME, LOCATION, AND PURPOSE

- Section 1.01 Name
- Section 1.02 Principal Office
- Section 1.03 Change of Address
- Section 1.04 Purpose

ARTICLE II
MEMBERS

- Section 2.01 Classification and Qualification of Members
- Section 2.02 Admission for Membership
- Section 2.03 Representation
- Section 2.04 Application Fee, Dues, and Assessments
- Section 2.05 Membership Book
- Section 2.06 Inspection Rights of Members
- Section 2.07 Certificates of Membership
- Section 2.08 Nonliability of Members
- Section 2.09 Transferability of Membership
- Section 2.10 Termination of Membership
- Section 2.11 Expulsion or Suspension
- Section 2.12 Reinstatement

ARTICLE III
MEETING OF DIRECTORS

- Section 3.01 Conduct of Meetings

ARTICLE IV
DIRECTORS

- Section 4.01 Number, Qualification, and Method of Selection
- Section 4.02 Powers
- Section 4.03 Compensation
- Section 4.04 Meetings

- (a) Meetings
- (b) Time and Place of Meetings
- (c) Notice of Meetings
- (d) Quorum
- (e) Loss of Quorum
- (f) Conduct of Meetings
- (g) Adjournment

Section 4.05 Action Without Meeting

Section 4.06 Removal Of Directors

Section 4.07 Resignation of Director

Section 4.08 Vacancies in the Board

ARTICLE V OFFICERS

Section 5.01 Number and Titles

Section 5.02 Qualifications

Section 5.03 Selection

- (a) Election Nomination Process and Notice of Elections.
- (b) Date and place of election.
- (c) Election.

Section 5.04 Power and Duties

- (a) The President
- (b) The Vice-President
- (c) The Secretary
- (d) The Treasurer
- (e) The Chairman

ARTICLE VI COMMITTEES

Section 6.01 Executive Committee

Section 6.02 Other Committees

ARTICLE VII CORPORATE RECORDS, REPORTS AND SEAL

Section 8.02 Construing the Bylaws

Section 8.03 Rules of Order

Section 8.04 Indemnification

Section 8.05 Insurance

Section 8.06 Amendment of Bylaws

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ARTICLE I
NAME, LOCATION, AND PURPOSE

Name

Section 1.01. As provided by the Articles of Incorporation, the name of this organization shall be PACIFIC COAST COUNCIL OF CUSTOMS BROKERS AND FREIGHT FORWARDERS ASSOCIATIONS ("Corporation").

Principal Office

Section 1.02. The principal office of the Corporation for the transaction of its business is located in the City and County of San Francisco, California.

Change of Address

Section 1.03. The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another in California. Any such change shall be noted by the Secretary in these Bylaws, but shall not be considered an amendment of these Bylaws.

Purpose

Section 1.04. The objectives and purposes of this Corporation shall be as set forth in its Articles of Incorporation.

ARTICLE II
MEMBERS

Classification and Qualification of Members

Section 2.01 The membership of the Corporation shall not be limited as to number, but may include only, and shall be restricted to, associations of firms and individuals regularly and primarily engaged in business as licensed customhouse brokers and/or licensed international freight forwarders in the Western states, to include California, Oregon, Washington, Hawaii, and Alaska ("Members"). Each Member will be considered to be a separate class of Members when convenient or helpful in complying with the California Nonprofit Mutual. In all matters coming before the Corporation, each Member will have only one vote, to be exercised by a Director as set forth in Section 2.03 below.

Admission for Membership

Section 2.02. Associations, as described in Section 2.01 above, may become Members by making a written application, on such terms as determined by the Board from time to time, and by receiving the affirmative vote of two-thirds of the Directors.

Representation

Section 2.03. Each Member shall be represented at Corporation meetings by a Director, who shall be accredited to carry out the duties of membership on its behalf. No Member may vote except by such Director, unless a Member designates an individual other than such Director to serve as its voting representative at a meeting. Such designation must be noticed to the President of the Corporation and to the Board of Directors in writing or electronically in advance of the meeting in question. Directors or their proxy shall be entitled to vote in person by telephone, or by written ballot.

Application Fee, Dues, and Assessments

Section 2.04. Each Member must pay, within the time and on the conditions set by the Board, an initiation fee and annual dues in amounts as may be fixed from time to time by the Board. The Board may, at its discretion, adjust any fees, dues, and assessments differently for Members according to their size and/or other criteria as the Board shall deem reasonable. A Member, on learning of the amount of dues or of an assessment determined by the Board of Directors and the time or times of payment fixed by the Board of Directors, may avoid liability for the dues or assessment by promptly resigning from membership, except where the Member is, by contract or otherwise, liable for the dues or assessment.

Membership Book

Section 2.05. The Corporation shall keep in written form a membership book containing the name, address, and class of each Member. The book shall also record terminations of membership and the date on which such memberships ceased. Such book shall be kept at the principal office of the Corporation and shall be subject to the rights of inspection required by law as set forth in Section 2.06 of these Bylaws.

Inspection Rights of Members

Demand

Section 2.06. (a) Subject to the Corporation's right to set aside a demand for inspection pursuant to Section 8331 of the Corporation Code and the power of the court to limit inspection rights pursuant to Section 8332 of the Corporations Code, and unless the Corporation provides a reasonable alternative as permitted by Section 2.06 (c) hereof, a Member satisfying the qualifications set forth hereinafter may do either or both of the following:

(1) Inspect and copy the record of all the Members' names, addresses, and voting rights, at reasonable times, on five (5) business days' prior written demand on the Corporation, which demand shall state the purpose for which the inspection rights are requested; or

(2) Obtain from the Secretary of the Corporation, on written demand and tender of a reasonable charge, a list of the names, addresses, voting rights of those Members entitled to vote, by means of their Director, as of the most recent record date for which it has been compiled or as of the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.

Certificates of Membership

Section 2.07. The Board of Directors of the Corporation may provide for the issuance of certificates evidencing membership in the Corporation. Any certificates issued by the Corporation shall state on the certificate that the Corporation is a nonprofit mutual benefit corporation which may not make distributions to its Members during its life or on dissolution. The certificates shall also state that a copy of the transfer restrictions are on file with the Secretary of the Corporation and are open for inspection by a Member on the same basis as records of the Corporation.

Nonliability of Members

Section 2.08. A Member of the Corporation shall not solely because of such membership be personally liable for the debts, obligations, or liabilities of the Corporation.

Transferability of Membership

Section 2.09. Neither a membership in the Corporation nor any rights in a membership may be transferred for value or otherwise.

Termination of Membership

Causes

Section 2.10. (a) A Member's membership and all rights of membership shall automatically terminate, except as indicated below, on the occurrence of any of the following causes:

- (1) The voluntary resignation of a Member with notice as prescribed by Section 2.10 (c) of these Bylaws;
- (2) Where a membership is issued for a period of time, the expiration of such a period of time;
- (3) The occurrence of any event which renders such Member ineligible for membership;
- (4) The dissolution of corporate members;
- (5) The determination by the Board of Directors, or a committee designated to make such determination, that the Member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the interests of the Corporation; and
- (6) The decision of the Board of Directors to terminate a membership for nonpayment of fees, dues, or assessments when due or within thirty (30) days thereafter.

In the event of a proposed termination under (a) (5) or (a) (6) above, the Member must be given fifteen (15) days' prior written notice of the proposed termination stating the reasons therefore. The notice shall be given personally to such Member or sent by first class mail or courier to the last address of such Member as shown on the records of the Corporation. The Member may submit a written statement to the Board regarding the proposed action not fewer than five (5) days before the effective date of the termination. Prior to the effective date of the termination, the Board shall review any such statement submitted and shall determine the mitigating effect, if any, of the information contained therein on the proposed termination.

Effect of Termination

(b) All rights of a Member in the Corporation and in its property shall cease on the termination of such Member's membership. Termination shall not relieve the Member from any obligation for charges incurred, services or benefits actually rendered, dues, or fees, arising from contract or otherwise. The

Corporation shall retain the right to enforce any such obligation or obtain damages for its breach. The Director elected by such terminated Member shall cease to serve as Director upon termination of the Member's membership.

Resignation by Giving Notice

(c) The membership of any Member of the Corporation shall automatically terminate on such Member's written request for such termination delivered to the President or Secretary of the Corporation personally, and on such Member's payment in full of all amounts due to the Corporation.

Expulsion or Suspension

Section 2.11. The Board may, at its discretion, expel or suspend any Member for cause upon the affirmative vote of two-thirds of the Directors present at a meeting called for that purpose. Such expulsion or suspension shall not take place unless and until the Corporation complies with procedures substantially similar to those set forth in Section 2.10 (a) above.

Reinstatement

Section 2.12. A terminated, expelled or suspended Member may, at the discretion of the Board, be reinstated.

ARTICLE III MEETING OF DIRECTORS

Conduct of Meetings

Chairman

Section 3.01. The President of the Corporation or, in his or her absence, the Vice-President or, in his or her absence, any other person chosen by a majority of the voting Director present shall Chair the meeting of the Directors.

ARTICLE IV DIRECTORS

Number, Qualification, and Method of Selection

Section 4.01. The authorized number of Directors shall equal the number of Members. Each acceptance of or withdrawal of a Member shall adjust the authorized number of Directors upwards or downwards, respectively, by one (1) Director. There shall be no more than one individual employed by any one firm on the Board at any given time.

Directors shall be selected as follows:

Each member shall elect, in a manner consistent with its own rules and regulations, one (1) Director who shall serve as a Director of the Corporation until replaced by that Member. In no case shall the term exceed three (3) years. A Director may be re-elected for as many terms as a Voting wishes. Only voting Directors count towards establishing a quorum for meetings. Such Directors may, at the sole option of the Member Association, be the President of that Member Association or another individual selected.

Powers

Section 4.02. (a) General Corporate Powers. Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law and any limitations in the Articles of Incorporation and these Bylaws relating to action required to be approved by the Members, the business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised by or under the direction of the Board.

(b) Specific Powers. Without prejudice to those general powers, and subject to the same limitations, the Board shall have the power to:

(i) Select and remove all officers, agents and employees of the Corporation; prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; and fix their compensation

(ii) Change the principal executive office or the principal business office in the State of California from one location to another; cause the Corporation to be qualified to do business in any other state, territory, dependency, or country and conduct business within or outside of the State of California; and designate any place within or outside the State of California for the holding of any Directors' or meetings, including annual meetings; and

(iii) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidence of debt and securities.

Compensation

Section 4.03. The Directors shall serve without compensation except that they and members of committees shall be allowed and paid their actual and necessary expenses as may be determined by resolution of the Board to be just and reasonable and consistent with their fiduciary duties to the Corporation.

MEETINGS

Call of Meetings

Section 4.04. (a) Meetings of the Board may be called by the President or any two Directors.

Time and Place of Meetings

(b) Meetings of the Board may be held at any time or at any place within or without the State of California or by phone, that may be designated from time to time by the President, with the concurrence of a quorum of the Board.

Notice of Meetings

(c) Meetings of the Board may be held upon not less than seven (7) days' notice delivered and received by each Board Member, or by agreement of a quorum, by phone on 24 hour notice. The notice shall state the place, date, time of the meeting and the general nature of the business to be transacted, but, subject to the provisions of applicable law, any proper matter may be presented at the meeting for such action. Notice of meetings need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of such notice to such Director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Quorum

(d) The attendance of FOUR-FIFTHS of the Directors, at any meeting shall constitute a quorum of the Board for the transaction of business, except as hereinafter provided.

Loss of Quorum

(e) Except as otherwise provided in the Articles, in these Bylaws, or by law, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, provided, however, that any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of Directors if any action taken is approved by at least a majority of the required quorum for such meeting.

Conduct of Meetings

(f) The President or, in his or her absence, the Vice President, or in his or her absence, any Director selected by the Directors present, shall preside at meetings of the Board of Directors. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another. Such participation shall constitute personal presence at the meeting. Directors (or their proxies) of Member Associations in good standing are entitled to participate in discussion at Corporation meetings, but the privilege of floor may be accorded to members of Member Associations at the discretion of the presiding officer or by a majority vote of those Directors present. Meetings may be limited to Directors, at their discretion.

Adjournment

(g) A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

Action Without Meeting

Section 4.05 Any action required or permitted to be taken by the Board may be taken without a meeting, if all Members of Board individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors.

REMOVAL OF DIRECTORS AND OFFICERS

Removal for Cause

Section 4.06 (a) The Board may remove for cause and declare vacant the office of a Director, or an Officer on the occurrence of any of the following events:

- (1) The Director or Officer has been declared of unsound mind by a final order of court;
- (2) The Director or Officer has been convicted of a felony; or
- (3) The Director or Officer has been found by a final order or judgment of any court to have breached duties imposed by Section 7238 of the Corporations Code on directors who perform functions with respect to assets held in charitable trust.

Removal Without Cause

(b) Any Director may be removed without cause by the Member electing him or her.

(c) The termination of a Member's membership shall automatically result in the removal of the Director elected by that Member. Such removal shall serve, under Section 4.01, to decrease the authorized number of Directors by one (1) and will not, therefore, leave a vacancy on the Board.

Resignation of Director

Section 4.07. Any Director or Officer may resign effective on giving written notice to the President, the Secretary, or the Board of Directors of the Corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation of a Director is effective at a future time, a successor may be designated by the Member, to take office when the resignation becomes effective.

Directors and Officers shall be deemed to have automatically resigned in the case of three unexplained consecutive absences or FIVE cumulative absences in any one year from regularly scheduled Board meetings, except in extraordinary circumstances. The Secretary is directed to send a cautionary advice of this provision to the Director and to his or her Member Association following the Director's second consecutive absence or his or her FOURTH cumulative absence without adequate cause.

Vacancies in the Board

Causes

Section 4.08. (a) Vacancies on the Board of Directors shall exist on death, resignation, or removal of any Director and whenever the number of Directors authorized is increased, except as provided in Section 4.06 (c) hereof.

Filling Vacancies

(b) Each vacancy on the Board, including a vacancy resulting from removal with or without cause, shall be filled by the election of a new Director by the Member which had elected the Director whose position

becomes vacant.

ARTICLE V OFFICERS

Number and Titles

Section 5.01.(a) The officers of the Corporation shall consist of the President, Vice-President, the Secretary, and the Treasurer, and the Chairman.

(b) The Board (or Executive Committee with the concurrence of a majority of the Board) may retain Counsel and/or administrative staffing, whose duties shall determined by the Board or Executive Committee.

Qualifications

Section 5.02. Every officer of the Corporation shall be an employee, owner or partner of an independent (not owned or controlled by an exporter or importer) licensed Customs Broker or Freight Forwarder which is a Member in good standing of a Member Association of the Corporation, unless otherwise deemed qualified by a majority of the Board.

Selection

Section 5.03.(a) The officers shall be elected by the Board, at a meeting duly noticed, for a term of two (2) years. An Officer is deemed elected upon obtaining a majority of the votes of all Directors, whether present or not.

(b) Election Nomination Process and Notice of Elections. The Chairman shall serve as the Election Master, subject to the Board's discretion. Should the position of Chairman be vacant, the President shall serve as Election Master on the condition that he/she is not seeking re-election. Should the President be seeking re-election to the position of President or election to any office, then the Board by majority vote shall select the Election Master. At the Board's discretion, Counsel may serve as Election Master.

(c) Date and place of election.

1) Elections shall be conducted at the Board meeting at WESCCON.

2) The date, time and place of the elections shall be determined by the Board no less than 90 days prior to the election

date.

(d) Solicitation of candidates.

1) Simultaneous to the announcement of election date, each Association Member shall be invited to nominate a candidate for each position. No Member shall be required to submit a nomination.

2) Nominations must be submitted to the Election Master not less than 60 days prior to election date.

3) No later than 7 days after receiving a nomination, the Election Master shall review each nomination to determine if it meets the requirements set forth in Section 5.02 above. Those individuals deemed to meet these requirements shall be deemed Qualifying Candidates. Should the Election Master question a nominee's eligibility to be a Qualifying Candidate, he/she shall notify the nominating Member within 7 days. Such Member may submit additional information regarding the candidate or withdraw the nomination within 7 days. The Election Master's determination of eligibility shall be communicated to the Member within 5 working days and shall be final.

4) In addition to nominations, if any, received from the Member Associations, the Election Master may identify and nominate one individual to be a candidate for each officer position, providing that such individual(s), if any, meet the requirements of section 5.02 above.

5) All Qualifying candidates shall be listed on the Ballot, grouped by position sought, in alphabetical order by last name. The Ballot shall be distributed to the Directors not less than 30 days prior to the election.

(e) Election. On the date of the Elections, the Election Master shall convene the five (5) current Directors or their proxies whose authority to vote shall be stated in writing by the President of the Member Association, such writing to be delivered to both the Election Master and the Directors present. A Director or his Proxy may vote by telephone or in advance by electronic communication or inviting if circumstances do not allow for attendance. The Election Master and Directors (and Proxy, if any) shall meet in Closed Session. Discussion concerning the candidates may take place during this Closed Session if the a Director so wishes. However, no Director shall be compelled to participate in such

discussion. Each Director shall complete a ballot, voting for one candidate for each position unless choosing to abstain in whole or in part. The successful candidate for each position shall be the one receiving the majority of votes cast. The Election Master shall record the votes and shall announce the results to the Directors present. At the request of the Directors the record of the votes shall be distributed by the Election Master to the Directors, who shall each confirm that their vote individually and the votes of the Directors collectively, are accurate.

Power and Duties

Section 5.04. (a) The President shall be the chief executive officer of the Corporation. In absentia his/her place shall be taken by the Vice-President. In absentia his/her place may be taken by the Chairman. He/she shall chair meetings of the Board and sign all Certificates of Membership and any contracts and obligations which have been approved by the Board of Directors.

(b) The Vice-President shall assume the duties and responsibilities of the President in his/her absence. If the Vice-President is unavailable, the Board shall select a Director to do so.

(c) The Secretary shall keep a record of the proceedings of the Board, Executive committee and other meetings as requested. He/she shall co-sign Certificates of membership, and sign appropriate and required reports and documents of the Corporation.

(d) The Treasurer shall be accountable for all corporate funds, present an annual budget to the Board, and make periodic reports as to its status, together with recommendations as to dues assessments or other fees.

(e) The Chairman. The immediate past President shall be entitled to serve as Chairman, performing any duties of the President which the President, at his or her discretion, may choose to delegate.

Vacancy

Section 5.05. A vacancy, on the Executive Committee may be filled by appointment of an individual meeting the requirements of Section 5.02 by agreement of a majority of the Directors.

ARTICLE VI COMMITTEES

Executive Committee

Section 6.01. The officers of the Corporation shall constitute the Executive Committee, to authorize actions as appropriate and necessary between Board meetings, and as consistent with Board policy and authorization.

Other Committees

Section 6.02. The President, with the advice and consent of the Board, shall appoint such other committees to assist him or her in all matters pertaining to the Corporation as may from time to time be deemed necessary or advisable.

ARTICLE VII CORPORATE RECORDS, REPORTS AND SEAL

Keeping Records

Section 7.01. The Corporation shall keep adequate and correct records of account and minutes of the proceedings of its Board, and committees of the Board. The Corporation shall also keep a record of its Members giving their names and addresses and the class of membership held by each. The minutes shall be kept in written form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

Section 7.02. The Corporation shall furnish annually to its Members a statement setting forth any transaction or indemnification of the kind described in Corporation Code Sections 8322(d) and (e) which took place during the previous year.

Construing the Bylaws

Section 8.02. The decision of the Board of Directors shall be final in construing these Bylaws.

Rules of Order

Section 8.03. Roberts Rules of Order, newly revised, shall govern all Board meetings, unless otherwise provided for in these Bylaws or by resolution of the Board.

Indemnification

Section 8.04. In any legal action or administrative proceeding brought against any agent, officer or Director of this Corporation, indemnification may be provided by the Board, on such terms and conditions, and in its discretion, and to the extent authorized by California law, including the California Nonprofit Corporations Law.

Insurance

Section 8.05 The Board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this Corporation would have the power to indemnify the agent against that liability under California law.

Amendment of Bylaws

Section 8.06. New or amended Bylaws may be adopted, repealed or approved as follows:

(a) Except as set forth in (b), by the Board at a duly noticed meeting called for the purpose of amending the bylaws, and upon an affirmative vote of a majority of the Directors at the meeting;

(b) The Board may not approve, amend, or repeal the Bylaws if the action would:

- (i) Materially and adversely affect the rights of the Members as to voting dissolution, redemption or transfer;
- (ii) Increase or decrease the number of Members authorized in total or for any class;
- (iii) Effect an exchange, reclassification, or cancellation of all or part of the memberships;
- (iv) Authorize a new class of memberships;
- (v) Change the manner of selecting Directors;
- (vi) Authorize cumulative voting; or
- (vii) Set a quorum for meetings of the Board higher than a majority of the voting power.