

**RESOLUTIONS FOR APPROVAL  
BY THE BOARD OF DIRECTORS OF THE  
ALGAL BIOMASS ORGANIZATION**

**August 5, 2011**

**1. AMENDMENT TO THE BYLAWS TO CREATE THE  
EXECUTIVE POLICY COUNCIL**

**WHEREAS**, the Articles of Incorporation of the Algal Biomass Organization (the “*Company*”) provides that one of the purposes for the Company is to aggregate and formalize advocacy efforts for the improvement of federal, state and local policies that would aid in the commercialization and expanded use of algal-based products.

**WHEREAS**, the Company’s Public and Government Relations Committee (the “*P&GRC*”), established pursuant to Section 4.19 of the Company’s bylaws, as last amended on January 27, 2011, is charged with increasing public and governmental awareness of the algal biomass industry, its domestic and international benefits, barriers to growth, policies that could accelerate or enhance the realization of such benefits or mitigate or eliminate such barriers, and to generally encourage the growth of the algal biomass industry, and, in addition to the foregoing, has certain duties as set forth in the Bylaws.

**WHEREAS**, the Board of Directors (the “*Board*”) of the Company deems it advisable and in the best interests of the Company to retain paid professional policy resources (“*PPRs*”) in Washington, D.C. to advance the Company’s policy and advocacy efforts with the Federal government for the benefit of the members of the Company (the “*Members*”).

**WHEREAS**, to date, the payment of membership dues by members of the Company has been insufficient to fund the retention of PPRs.

**WHEREAS**, the Board, following the advice and recommendations of the P&GRC, the Bylaws and Governance Committee, and the Executive Director of the Company, desires to rename the P&GRC the “*Executive Policy Council*” (“*EPC*”) and restructure its membership to include: (a) a certain number of directors then serving on the Board (“*Directors*”) (a minimum number of which being required by RCW 24.03.115); and (b) and those Members who commit additional financial resources to the Company from time to time as determined by the Board for the express purpose of retaining PPRs.

**WHEREAS**, to effectuate the foregoing, the Board desires to amend the Bylaws of the Company, adopted pursuant to the Action by Unanimous Written Consent of the Board of Directors in Lieu of an Organizational meeting effective June 13, 2008, and amended by: (a) the Action by Unanimous Written Consent of the Board of Directors effective August 27, 2008; (b) the Action by Unanimous Written Consent of the Board of Directors effective November 11, 2008; (c) the Action by Unanimous Written Consent of the Board of Directors effective December 26, 2008; (d) the Action by Unanimous Written Consent of the Board of Directors effective September 28, 2009; (e) the

Action by Unanimous Written Consent of the Board of Directors effective March 18, 2010; (f) by resolution of the Board effective June 10, 2010; and (g) by resolution of the Board effective January 27, 2011 (the “*Bylaws*”) upon the Effective Date and satisfaction of the condition described below in Resolution 3.

**NOW, THEREFORE, BE IT RESOLVED**, upon satisfaction of the condition described below Resolution 3, Section 4.19(e) of the Bylaws shall be deleted in its entirety and replaced with the text as set forth below:

“(e) *Executive Policy Council.*

(i) Membership. The Executive Policy Council shall have no limit to the number of Members who may serve on such committee except as otherwise limited by this Section 4.19(e)(i). Membership on the EPC shall consist of the following Members (or, in the case of an Organizational Member, a designated director, officer, employee, or representative thereof that such Organizational Member designates in writing to the Executive Director and who can thereafter be changed by written notice to the Executive Director by the Organizational Member), who will serve a term as set forth below:

A. *Director-Members:* Three (3) Directors shall serve as members of the Executive Policy Council (each, a “*Director-Member*”), as follows: (1) the Chairperson at the time in question; (2) the Vice Chairperson at the time in question; and (3) and any other Director appointed by resolution of the Board. The then-Chairperson shall automatically succeed to his/her position as a Director-Member of the Executive Policy Council when such Director succeeds to his/her position as Chairperson pursuant to Section 4.06, without further action by the Board, and such Director-Member’s term shall expire when such Director-Member no longer serves as Chairperson. The then-Vice Chairperson shall automatically succeed to his/her position as a Director-Member of the Executive Policy Council, without further action by the Board, when such Director’s term as Vice-Chairperson of the Board commences, and such Director-Member’s term shall expire when such Director-Member no longer serves as Vice-Chairperson of the Board; provided, however, such Director-Member’s term on the Executive Policy Council shall continue given his/her succession to Chairperson pursuant to Section 4.06, unless such succession does not occur. The term of the third Director-Member shall commence upon appointment to the Executive Policy Council by resolution of the Board and shall continue for so long as he/she serves as Director [or until removed as a Director-Member in accordance with these Bylaws]. Any Director-Member may resign or be removed from the Executive Policy Council pursuant to Sections 4.18(j) or (k), or such successor provisions; provided, however, the Director-Members who are then serving as Chairperson of the Board and Vice Chairperson of the Board shall not resign from the Executive Policy Council unless they also resign from their Chairperson and Vice Chairperson positions on the Board.

B. *Non-Director Members:* Each Member who pays the Advocacy Assessment for a calendar year pursuant to Section 4.19(e)(ii) may, subject to appointment by resolution of the Board at a meeting of the Board following receipt of the Advocacy Assessment, have one (1) representative from such Member serve on the Executive Policy Council (each, a “*Non-Director Member*”).

The payment by a Member of more than one (1) Advocacy Assessment in order to appoint more than one (1) representative to the Executive Policy Council shall be prohibited. If the Board declines to appoint a Member paying the Advocacy Assessment as a Non-Director Member of the Executive Policy Council, such Member shall be entitled to a refund of its Advocacy assessment. The board retains sole discretion as to appointment of any member as a Non-Director Member of the Executive Policy Council, and the Board shall not be required to appoint a Member to the Executive Policy Council by virtue of receipt of an Advocacy Assessment. The term for such Non-Director Members shall commence and expire as set forth in Section 4.19(n); *provided, however*, the term of any Non-Director Member paying the Advocacy Assessment between August 5, 2011, and December 31, 2011, shall expire on December 31, 2012. Any Non-Director Member may resign or be removed from the Executive Policy Council pursuant to Sections 4.19(j) or (k). There shall be no limit on the number of terms any Non-Director Member can serve on the Executive Policy Council so long as the requirements in this Section 4.19(e)(i)(B) are satisfied.

C. *Additional Director-Members.* Notwithstanding the limit on the number of Director-Members in Section 4.19(e)(i)(A), Directors who desire to serve on the Executive Policy Council as additional Director-Members but who have not been appointed either automatically or by resolution of the Board as the third Director-Member pursuant to Section 4.19(e)(i)(A), may nevertheless become Director-Members of the Executive Policy Council by paying the Advocacy Assessment and being appointed in the same manner as Non-Director Members pursuant to Section 4.19(e)(i)(B). For purposes of quorum and Committee's manner of acting as governed by Section 4.19(p), the number of Director-Members shall be more than the three (3) as set forth in Section 4.19(e)(i)(A) and shall instead be the number of Directors in-fact serving on the Executive Policy Council at the time in question. The term for such additional Director-Members shall be as set forth in Section 4.19(n) instead of that set forth in Section 4.19(e)(i)(A).

D. *Non-Member Advisors.* The Executive Director and the consultant or lobbyist retained by the Company shall serve as advisors to the Executive Policy Council but shall not be construed as members of the Executive Policy Council for purposes of quorum or taking actions.

E. *Resignation and Removal.* The removal or resignation of a Non-Director Member shall not result in a vacancy on the Executive Policy Council for purposes of Section 4.19(l). Should a Director-Member that was appointed by the Board pursuant to Section 4.19(e)(i)(A) be removed or resign, the provisions of Section 4.19(l) relating to filling vacant Director positions on a Committee shall apply. Should a Director-Member that was appointed by the Board pursuant to Section 4.19(e)(i)(C) be removed or resign, such removal or resignation shall not result in a vacancy on the Executive Policy Council for purposes of Section 4.19(l).

(ii) Advocacy Assessment. The Board shall, by resolution, establish the amount payable by a Member for the privilege of serving as a Non-Director Member or a Director-Member pursuant to Section 4.19(e)(i)(C) of the Executive Policy Council ("*Advocacy Assessment*") in any given calendar year

(except the Advocacy Assessment established in calendar year 2011 shall be applicable to the remainder of calendar year 2011 and to calendar year 2012), which may be assessed as part of the annual membership dues payable by Members (whether attributable to all categories of Members established for purposes of a schedule of dues pursuant to Section 3.01, or attributable to select membership category and the Members in such category), or assessed as a payment separate from membership dues. Director-Members appointed pursuant to Section 4.19(e)(i)(A) may pay, but are not required to pay, the Advocacy Assessment, as a condition of their membership on the Executive Policy Council.

(iii) Purpose. The purpose of the Executive Policy Council shall be to increase public and governmental awareness of the algal biomass industry, its domestic and international benefits, barriers to growth, policies that could accelerate or enhance the realization of such benefits and mitigate or eliminate such barriers, and to generally encourage the growth of the algal biomass industry.

(iv) Duties. Duties of the Executive Policy Council shall be as follows: (A) oversee and suggest improvements to the Corporation's website with respect to public information other than peer reviewed content; (B) coordinate with the Corporation's public relations and/or government relations consultants to develop appropriate strategies for the achievement of the purposes of this Committee and the Corporation as set forth in the Corporation's Articles of Incorporation and herein; (C) liaise with other business entities or organizations to discover and act upon opportunities consistent with the purposes of the Corporation; (D) coordinate its efforts and cooperate with other Committees; and (E) perform any other duty that the Board, by resolution adopted by a majority of Directors in office, may require consistent with the purpose of the Executive Policy Council expressed in this Section 4.19(e).

(v) Supremacy. To the extent an irreconcilable conflict arises between the provisions in this Section 4.19(e) and other provisions of these Bylaws, the provisions set forth in this Section 4.19(e) shall control.

**RESOLVED FURTHER**, Section 4.19(l) of the Bylaws is amended by adding the following phrase to the beginning of the Section, with the balance of the Section remaining as written:

“(l) *Vacancies on Committees*. Subject to Section 4.19(e)(i)(E) as it pertains to the Executive Policy Council only, . . .”

2. **AMENDMENT TO BYLAWS:**  
**TERMS OF NON-DIRECTOR MEMBERS OF COMMITTEES**

**WHEREAS**, the Board desires to amend the Bylaws to change the terms for which members of the Company who are not Directors (“*Non-Director Members*”) serve following their appointment by the Board to Committees.

**WHEREAS**, Section 4.19(n) of the Bylaws in effect prior to this amendment provide that that “each non-Director member of a Committee shall serve for a period of one (1) year unless such term is

extended by unanimous consent of the then-serving Director members of the Committee or by resolution of the Board of Directors.”

**WHEREAS**, the Board desires to synchronize the terms for Non-Director Members of the Committees for administrative purposes and for other reasons so that terms are based on the calendar year.

**NOW, THEREFORE, BE IT RESOLVED**, that Section 4.19(n) of the Bylaws is hereby deleted in its entirety and replaced with the text as set forth below:

“(n) *Term for Non-Director Members of Committees.* Unless a non-Director member of a Committee dies, resigns or is removed, and except as otherwise provided in Section 4.19(e)(i)(B), each non-Director member of a Committee shall serve a term commencing upon his/her appointment to a Committee by the Board and ending on December 31 of the calendar year in which the non-Director member of a Committee is appointed by the Board. If the Board is appointing non-Director members of a Committee in one calendar year but such appointment is not effective until the subsequent calendar year, the Board may, in the resolution appointing the non-Director member, set the effective date for such appointment on January 1 of the subsequent calendar year so that such non-Director member serves a full calendar year term. Such term may be extended by resolution of the Board. The term for non-Director members appointed to fill a vacancy is set forth in Section 4.19(l).”

**3. EFFECTIVE DATE**

**WHEREAS**, the Board desires to make the amendment to the Bylaws set forth in Resolution 1, contingent on the ability to raise a minimum level of funds anticipated as reasonably necessary to retain the PPRs through the end of calendar year 2012.

**NOW, THEREFORE, BE IT RESOLVED**, that the amendment to the Bylaws relating to the Executive Policy Council set forth in Resolution 1 shall occur, and such amended Bylaws shall be in full force and effect, if and when the following conditions are fulfilled: (a) no less than One Hundred Fifty Thousand Dollars (\$150,000.00) (“*Minimum Budget Threshold*”) is either in-fact paid to the Company by Members for the purpose of funding the PPRs, or is in fact committed to be paid by such Members to the Company with such payment being made no later than sixty (60) days following achievement of the Minimum Budget Threshold; and (b) the Executive Director submits a written report to the Board evidencing the payments and commitments of such Members that equals or exceeds the Minimum Budget Threshold.

**RESOLVED FURTHER**, that the appointment of the Director-Member as set forth in Resolution 5, below, shall be contingent upon the effectiveness of the amendment to the Bylaws set forth in Resolution 1, and such appointment shall be effective as of the date that the amendment to the Bylaws is effective.

**4. STATUS OF CURRENT MEMBERS OF THE P&GRC**

**WHEREAS**, The terms of Non-Director Members appointed to the P&GRC as of the date of this Resolution are for a calendar year, and those current Director-Members, Greg Mitchell, Thomas

Byrne, and Tim Zenk are for so long as they remain Directors unless they are otherwise removed or resign pursuant to Sections 4.19(j) and 4.19(k) of the Bylaws.

**WHEREAS**, the amendment to the Bylaws set forth in Resolution 1, as made effective pursuant to Resolution 3, may have the effect of removing all Members of the P&GRC unless such Members either pay the Advocacy Assessment, or, in the case of certain Director-Members, they are either Chairperson of the Board, Vice Chairperson of the Board, or are the Director who is being appointed pursuant to Resolution 5.

**WHEREAS**, the Board desires to avoid denying the benefit of any Member currently serving as a Non-Director Member or a Director Member as of the date of this resolution while continuing to provide for both (a) the transition from the P&GRC to the Executive Policy Council and (b) service by Members who desire to pay the Advocacy Assessment in order to serve on the Executive Policy Council as a voting Director-Member or Non-Director Member, as applicable.

**NOW, THEREFORE, BE IT RESOLVED**, should the conditions set forth in Resolution 3 be satisfied and the amendment to the Bylaws set forth in Resolution 1 become effective prior to December 31, 2011, those current Director-Members and Non-Director Members of the P&GRC are hereby appointed to the Executive Policy Council to serve terms ending as of December 21, 2011.

**RESOLVED FURTHER**, pursuant to Section 4.19(k) of the Bylaws, the Director-Members serving on the P&GRC shall be deemed removed by the Board as of December 31, 2011, in order to facilitate a full transition to the Executive Policy Council.

**5. APPOINTMENT OF DIRECTOR-MEMBER OF EXECUTIVE POLICY COUNCIL**

**WHEREAS**, Section 4.19(e)(i)(A) of the Bylaws, as amended by Resolution 1, provides for the automatic appointment of two of the three Director-Members of the Executive Policy Council, the Chairperson of the Board (which, as of the date of this Resolution, is Mark Allen) and the Vice-Chairperson of the Board (which, as of the date of this Resolution, is John Pierce).

**WHEREAS**, Section 4.19(e)(i)(A) of the Bylaws, as amended by Resolution 1, requires the Board to appoint the third Director-Member of the Executive Policy Council by resolution to serve a term fixed by such resolution.

**NOW, THEREFORE, BE IT RESOLVED**, the Board hereby appoints Tim Zenk, effective pursuant to Resolution 3, to serve as the third Director-Member of the Executive Policy Council, for a term commencing on the date that this appointment is effective and expiring on May 15, 2013.

**6. ADVOCACY ASSESSMENT FOR REMAINDER OF 2011**

**WHEREAS**, Section 4.19(e)(ii) of the Bylaws, as amended by Resolution 1, permits the Board to establish the Advocacy Assessment to be paid by Members in any given calendar year for the privilege of serving on the Executive Policy Council.

**WHEREAS**, in order to retain PPRs to advance the Company's policy and advocacy efforts with the Federal government for the benefit of the Members, the Board deems it advisable and in the best interests of the Company to establish the Advocacy Assessment.

**WHEREAS**, in order to encourage Members to pay the initial Advocacy Assessment, the Board desires to provide certain incentives relating to such initial Advocacy Assessment only.

**NOW, THEREFORE, BE IT RESOLVED**, the Advocacy Assessment for a Member desiring to serve as a Non-Director Member of the Executive Policy Council, or for Directors who desire to serve as additional Director-Members of the Executive Policy Council but who have not been appointed either automatically pursuant to Section 4.19(e)(i)(A) of the Bylaws (as amended by Resolution 1), or pursuant to Resolution 3, shall be as follows:

<u>Membership Class</u>	<u>Advocacy Assessment</u>
Platinum	\$25,000
Gold and Corporate	\$10,000

**RESOLVED FURTHER**, that any Member paying the Advocacy Assessment between the date of this Resolution and December 31, 2011, shall be deemed to have paid any Advocacy Assessment for calendar year 2012, and the term for such Member as a Non-Director Member of the Executive Policy Council shall expire on December 31, 2012.

**7. OMNIBUS RESOLUTIONS**

**RESOLVED**, that the appropriate officers of the Company be, and each of them hereby is, authorized and empowered to take any and all such further action, to execute and deliver any and all such further agreements, instruments, documents and certificates and to pay such expenses, in the name and on behalf of the Company or such officer, as any such officer may deem necessary or advisable to effectuate the purposes and intent of the Resolutions hereby adopted, the taking of such actions, the execution and delivery of such agreements, instruments, documents and certificates and the payment of such expenses by any such officer to be conclusive evidence of his or her authorization hereunder and the approval thereof.