

# **BYLAWS OF THE AMERICAN HERDING BREED ASSOCIATION**

## **A California Nonprofit Mutual Benefit Corporation**

The name of this corporation is The American Herding Breed Association.

### **I. Offices of the Corporation**

#### **A. Principal Office**

The principal office for the transaction of the activities, affairs, and business of the corporation (principal office) is located at 1548 Victoria Way, Pacifica, San Mateo County, California. The board of directors (board) may change the principal office from one location to another. Any change of location of the principal office shall be noted by the secretary on these bylaws opposite this Section, or this Section may be amended to state the new location.

#### **B. Other Offices**

The board may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

### **II. Purposes and Limitations**

#### **A. General Purposes**

The purposes of this corporation are as set forth in the Articles of Incorporation.

#### **B. Specific Purposes**

Within the context of the general purposes stated above, this corporation shall:

(a) encourage and promote quality herding in dogs of any breed and do all possible to bring their natural abilities to perfection.

(b) do all in its power to protect and advance the interests of herding breeds both in and outside of competition.

(c) conduct, sponsor, sanction, approve and/or endorse clinics, studies, tests, trials, competitions, and forums for understanding the historical, current, and genetic basis of herding ability in the various breeds and to promote better understanding of training to optimize the natural abilities in herding of any dog.

(d) urge members to participate in learning good stock management and good shepherding.

(e) promote good sportsmanship.

### C. Limitations

Notwithstanding any other provision of these articles, this corporation shall not engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation. Further, this corporation shall not be conducted or operated for profit and no part of any profits or remainder or residue from dues, fees or donations to the corporation shall inure to the benefit of any member or individual. No part of the net earnings of the corporation shall inure to the benefit of any member or private shareholder, as defined for purposes of section 501(c)(7) of the Internal Revenue Code of 1986.

Upon dissolution for other than purposes of reorganization, whether voluntary or involuntary or by operation of law, none of the property of the corporation nor any proceeds thereof nor any assets of the corporation shall be distributed to any members of the corporation but, after payment of the debts of the corporation, its property and assets shall be given to a charitable organization chosen by the board and recognized as a non-profit organization by the Internal Revenue Service, the purpose of which non-profit organization shall be to benefit dogs and/or animal welfare.

## III. Members

### A. Qualifications and Rights of Membership

#### 1. Classes and Qualifications

This corporation shall have one class of members. Any person dedicated to the purposes of this corporation and who is at least eighteen years of age shall be eligible for membership on approval of the membership application by the board and the payment of such dues and fees as the board may fix from time to time. The membership application shall be such as is adopted and approved by the board from time to time.

### B. Voting Members

All members who are in good standing as defined in Section I. D. hereafter shall have the right to vote, as set forth in these bylaws, on the election of directors, on the disposition of all or substantially all of the assets of the corporation, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, those members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law.

### C. Dues, Fees, and Assessments

Each member must pay, within the time and on the conditions set by the board, the dues, fees, and assessments in amounts to be fixed from time to time by the board. The dues, fees, and assessments shall be equal for all members.

#### D. Good Standing

Those members who have paid the required dues, fees, and assessments in accordance with these bylaws and who are not suspended shall be members in good standing.

#### E. Termination and Suspension of Membership

##### 1. Causes of Termination

A membership shall terminate on occurrence of any of the following events:

- (a) Resignation of a member, on reasonable notice to the corporation;
- (b) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the board;
- (c) Failure of a member to pay dues, fees, or assessments as set by the board within ninety days after they become due and payable;
- (d) Occurrence of any event that renders a member ineligible for membership, or failure to satisfy membership qualifications;
- (e) Expulsion of the member under Section III.E.3. of these bylaws, based on the good faith determination by the board, or a committee or person authorized by the board to make such a 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 purposes and interests of the corporation.

##### 2. Suspension of Membership

A member may be suspended, under Section III.E.3. of these bylaws, based on the good faith determination by the board, or a committee or person authorized by the board to make such a determination, that the member has failed in a material and serious degree to observe the corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation.

A person whose membership is suspended shall not be a member during the period of suspension.

### 3. Procedure for Expulsion or Suspension

If grounds appear to exist for expulsion or suspension of a member under Section III.E. of these bylaws, the procedure set forth below shall be followed:

(a) The member shall be given thirty (30) days' prior notice of the proposed expulsion or suspension and the reasons for the proposed expulsion or suspension. Notice shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the corporation's records.

(b) The member shall be given an opportunity to be heard, either orally or in writing as determined by the Board in each such instance, at least five days before the effective date of the proposed suspension or expulsion. The hearing shall be held, or the written statement considered, by the board or by a committee or person authorized by the board to determine whether the expulsion or suspension should take place.

(c) The board, committee, or person shall decide whether or not the member should be expelled, suspended, or sanctioned in some other way. The decision of the board, committee, or person shall be final.

(d) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one year after the date of the expulsion, suspension, or termination.

## IV. Meetings of Members

### A. Place of Meeting

Meetings of the members shall be held at any place within or outside California designated by the board or by written consent of all persons entitled to vote at the meeting, given before or after the meeting. Such meetings may be held in conjunction with a herding event. In the absence of any such designation, members' meetings shall be held at the corporation's principal office.

### B. Annual Meeting

An annual members' meeting shall be held on a date and time in January of each year to be designated by the board no later than November 1 of the preceding year and stated in a notice to the members as provided in Section IV.D. of these bylaws. If the board fails to so designate a date and time for such meeting, the meeting shall be held on January 31 at noon, Pacific Standard Time. At this meeting, directors shall be elected and any other proper business may be transacted, subject to Sections IV.D.2. and IV.E. of these bylaws.

## C. Special Meetings

### 1. Persons Authorized To Call

A special meeting of the members for any 'lawful purpose may be called at any time by the board, by the chair of the board, if any, by the president, by the secretary upon receipt of a petition for a meeting signed by any three members of the board including the secretary or by 5 percent or more of the members.

2. Calling Meetings A special meeting called by any person (other than the board) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the chair of the board, if any, or the president or any vice president or the secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote; in accordance with Sections IV.D. of these bylaws, stating that a meeting will be held at a specified time and date fixed by the board, provided, however, that the meeting date shall be at least 35 but no more than 90 days after receipt of the request. If the notice is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the board.

### 3. Proper Business of Special Meeting

No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

## D. Notice Requirements for Members' Meetings

### 1. General Notice Requirements

Whenever members are required or permitted to take any action at a meeting, written notice of the meeting shall be given, in accordance with Section IV.D.3. of these bylaws, to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting and, (1) for a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) for the annual meeting, those matters that the board, at the time notice is given, intends to present for action by the members, but except as provided in Section IV.E. of these bylaws, any proper matter may be presented at the meeting. The notice of any meeting at which directors are to be elected shall include the names of all persons who are nominees when notice is given.

### 2. Notice of Certain Agenda Items

Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- (a) Removing a director without cause;
- (b) Filling vacancies on the board;
- (c) Amending the articles of incorporation;
- (d) Approving a contract or transaction between the corporation and one or more directors, or between the corporation and any entity in which a director has a material financial interest;
- (e) Electing to wind up and dissolve the corporation; or
- (f) Approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class or classes as specified in the articles or bylaws, when the corporation is in the process of winding up.

### 3. Manner of Giving Notice

Notice of any meeting of members shall be in writing and shall be given at least 20 but no more than 90 days before the meeting date. The notice shall be given either personally or by firstclass, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member appearing on the books of the corporation or at the address given by the member to the corporation for purposes of notice. If no address appears on the corporation's books and no address has been so given, notice shall be deemed to have been given if either (1) notice is sent to that member by first-class mail or telegraphic or other written communication to the corporation's principal office or (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

### 4. Affidavit of Mailing Notice

An affidavit of the mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the secretary, assistant secretary, or any transfer agent of the corporation, and if so executed, shall be filed and maintained in the corporation's minute book.

## E. Quorum

### 1. Percentage Required

Ten (10%) percent of the voting power shall constitute a quorum for the transaction of business at any meeting of members, provided, however, that if any regular or annual meeting is actually attended in person or by proxy by less than one third of the voting power, the only matters that may be voted on are those of which notice of their general nature was given under the first and second sentences of Section IV.D.1. of these bylaws.

### 2. Loss of Quorum

Subject to Section IV.E.1. of these bylaws, the members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

#### F. Adjournment and Notice of Adjourned Meeting

Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than 45 days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

#### G. Voting

##### 1. Eligibility To Vote

Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, members entitled to vote at any meeting of members shall be members in good standing as of the record date determined under Section VI. of these bylaws.

##### 2. Manner of Casting Votes

Voting may be by voice or ballot, except that any election of directors must be by ballot if demanded by any member at the meeting before the voting begins.

##### 3. Voting

Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members.

##### 4. Approval by Majority Vote

If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number or voting by classes is required by the California Nonprofit Mutual Benefit Corporation Law or by the articles of incorporation.

#### H. Waiver of Notice or Consent

##### 1. Written Waiver or Consent

The transactions of any members' meeting, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (1) a quorum is present either in person or by proxy, and (2) either before or after the meeting, each member entitled to vote, who is not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section IV.D.2. the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes.

## 2. Waiver by Attendance

A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting, unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

## V. Action Without a Meeting

### A. Action by Unanimous Written Consent

Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the members.

### B. Action by Written Ballot Without a Meeting

Any action that may be taken at any meeting of members may be taken without a meeting by complying with Sections V.B.1. through V.B.4. of these bylaws.

#### 1. Solicitation of Written Ballots

The corporation shall distribute one written ballot to each member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner required by Section IV.D.3. of these bylaws. All solicitations .of votes by written ballot shall (1) indicate the number of responses needed to meet the quorum requirement, (2) with respect to ballots other than for election of directors, state the percentage of approvals necessary to pass the measure or measures, and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (1) set forth the proposed action, (2) provide the members an opportunity to specify approval or disapproval of each proposal, and (3) provide a reasonable time in which to return the ballot to the corporation. If the corporation has 100 or more members, any written ballot distributed to 10 or more members shall provide, subject to reasonable specified



conditions, that if the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification.

In any election of directors, a written ballot that a member marks "withhold," or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a director.

## 2. Number of Votes and Approvals Required

Approval by written ballot shall be valid only when (1) the number of votes cast by ballot (including those ballots that are marked "withhold" or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

## 3. Revocation

A written ballot may not be revoked.

## 4. Filing

All written ballots shall be filed with the secretary of the corporation and maintained in the corporate records for at least three (3) years.

## VI. Record Date for Notice, Voting, Written Ballots, and Other Actions

For purposes of determining the members entitled to notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights with respect to any lawful action, the board may fix, in advance, a record date. The record date so fixed

(1) for notice of a meeting shall not be more than 90 or less than 10 days before the date of the meeting;

(2) for voting at a meeting shall not be more than 60 days before the date of the meeting;

(3) for voting by written ballot shall not be more than 60 days before the day on which the first written ballot is mailed or solicited; and

(4) for any other action shall not be more than 60 days before that action.

### A. Record Date for Notice or Voting

If not otherwise fixed by the board, the record date for determining members entitled (1) to receive notice of a meeting of members shall be the business day next preceding the day on

which notice is given or, if notice is waived, the business day next preceding the day on which the meeting is held and (2) to vote at the meeting shall be the day on which the meeting is held.

#### B. Record Date for Action by Written Ballot

If not otherwise fixed by the board, the record date for determining members entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited.

#### C. Record Date for Other Actions

If not otherwise fixed by the board, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be the date on which the board adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later.

#### D. Members of Record

For purposes of Section VI., a person holding a membership at the close of business on the record date shall be a member of record.

### VII. Proxies

#### A. Right of Members

Each person entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the member's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the member or the member's attorney-in-fact.

#### B. Form of Solicited Proxies

If the corporation has 100 or more members, any form of proxy distributed to 10 or more members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters and shall provide, subject to reasonable specified conditions, that when the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification. In any election of directors, any form of proxy that a member marks "withhold," or marks otherwise in a manner indicating that the authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director.

#### C. Requirement That General Nature of Subject of Proxy Be Stated

Any revocable proxy covering matters for which a vote of the members is required, including amendments to the articles of incorporation; amendments to the articles or bylaws changing proxy rights; removal of directors without cause; filling vacancies on the board of directors; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all of the

corporate assets unless the transaction is in the usual and regular course of the corporation's activities; the principal terms of a merger or the amendment of a merger agreement; the election to dissolve the corporation; contracts or transactions between the corporation and one or more directors or between the corporation and an entity in which the director has a material financial interest; or a plan of distribution of assets other than money to members when the corporation is in the process of winding up, when the distribution is not in accordance with liquidation rights of any class or classes, shall not be valid unless the proxy sets forth the general nature of the matter to be voted on.

#### D. Revocability

A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect until (a) revoked by the member executing it before the vote is cast under that proxy, (i) by a writing delivered to the corporation stating that the proxy is revoked, (ii) by a subsequent proxy executed by that member and presented to the meeting, or (iii) as to any meeting, by the member's personal attendance and voting at the meeting, or (b) written notice of the death or incapacity of the maker of the proxy is received by the corporation before the vote under the proxy is counted; provided, however, that no proxy shall be valid after the expiration of 11 months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three years from the date of execution. The revocability of a proxy that states on its face that it is irrevocable shall be governed by section 7613 of the California Corporations Code.

### VIII. Election of Directors

#### A. Nomination

During the month of September, the board shall appoint a committee to select qualified candidates for election to the board. The secretary shall immediately notify the committee members and any alternates of their selection. The board shall name a chair for the committee and it shall be that chair's duty to call a committee meeting which shall be held on or before October 1 of that same year. The committee shall make its selection of candidates for election to the board no later than October 25. This nominating committee, shall make its report to the board within five (5) days of its selection of nominees. No later than November 1, the secretary shall forward to each member, with the notice of meeting required by Section IV.D. of these bylaws, a list of all candidates nominated by committee under this Section.

Additional nominations may be made by members if received by the secretary no later than December 31. Such nominations shall be in writing and shall be signed by at least ten (10) members. Such nominations shall also include a signed statement by the proposed nominee agreeing to serve if elected.

The committee shall designate those nominees it has selected who are specifically nominated to hold the office of President, Vice President, Secretary or Treasurer. Additional nominations by members shall be for non-officer positions on the board unless the nomination specifically states the officer position for which the nomination is made.

## B. Nominations From the Floor

If the corporation has five hundred or more members at the time notice of the meeting to elect directors is given, any member present at the meeting in person or by proxy may place names in nomination. otherwise nominations shall not be made at such a meeting.

## C. Qualification for nomination

To be a nominee to serve as a director of the corporation, a nominee must certify in writing that he or she has participated with a dog in stockdog trials within the four (4) years immediately prior to nomination and has obtained an American Herding Breed Association HTD I or its equivalent (ASCA open, AKC HS, placing in encouraged class at Kelpie events, placing in novice-novice class in Border Collie events) with at least one dog. In addition, one other person must certify that the proposed nominee has demonstrated reasonable understanding of stockwork.

## D. Solicitation of Votes

The board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and reasons for the nominee's candidacy, a reasonable opportunity for all nominees to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

## E. Use of Corporate Funds To Support Nominee

Without board authorization, no corporate funds may be expended to support a nominee for director after more people have been nominated for director than can be elected.

## F. Voting

If there is more than one nominee to hold a specific office, the nominee receiving the largest number of votes for that office shall be elected to that office. However, the directors shall be elected from the list of all nominees to be directors, regardless of the office for which they may also be nominated, according to the number of ballots cast for each nominee.

## IX. Directors

### A. Powers

#### 1. General Corporate Powers

Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations in the articles of incorporation and bylaws regarding actions that require the approval of the members, the Corporation's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the board's direction.

## B. Specific Powers

Without prejudice to the general powers set forth in Section IX.A. of these bylaws, but subject to the same limitations, the directors shall have the power to:

- (a) Appoint and remove at the pleasure of the board all the corporation's officers, agents, and employees; prescribe powers and duties for them that are consistent with the law, with the articles of incorporation, and with these bylaws; and fix their compensation and require from them security for faithful performance of their duties.
- (b) Change the principal office or the principal business office in California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities within or outside California; and designate any place within or outside California for holding any meeting of members.
- (c) Adopt and use a corporate seal; prescribe the forms of membership certificates consistent with the provisions of Section 7313 of the California Corporations Code; and alter the forms of the seal and certificates.
- (d) 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, hypothecation, and other evidences of debt and securities.

## B. Number and Qualification of Directors

The authorized number of directors shall be seven (7). The qualifications for directors are to have participated with a dog in stockdog trials within the four (4) years immediately prior to nomination and to have obtained an American Herding Breed Association HTD I or its equivalent (ASCA open, AKC HS, placing in encouraged class at Kelpie events, placing in novice-novice class in Border Collie events) with at least one dog.

Four of the seven directors shall be the President, Vice President, Secretary and Treasurer of the corporation.

## C. Election, Designation, and Term of Office

All directors shall be elected every three years; however, if any such directors are not elected at any annual meeting, they may be elected at any special members' meeting held for that purpose or be elected at any special members' meeting held for that purpose or by written/electronic ballot. Each such director, including a director elected to fill a vacancy or elected at a special members' meeting or by written ballot, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified.

Those directors who shall serve as President, Vice President, Secretary or Treasurer of the Corporation shall be nominated for such office at the same time they are nominated to serve as directors. The ballot for electing directors shall specify whether a director is a nominee for an office.

#### D. Vacancies on Board

##### 1. Events Causing Vacancy

A vacancy or vacancies on the board shall exist on the occurrence of the following: (a) the death or resignation of any director, (b) the declaration by resolution of the board of a vacancy in the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or, if the corporation holds assets in charitable trust, has been found by a final order or judgment of any court to have breached a duty arising under section 7235 of the California Corporations Code; (c) the vote of the members or, if the corporation has fewer than 50 members, the vote of a majority of all members, to remove any director(s); (d) the increase of the authorized number of directors; or (e) the failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors required to be elected at that meeting.

##### 2. Resignations

Except as provided below, any director may resign by giving written notice to the board, or to the president or the secretary of the Corporation. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the board may elect a successor to take office when the resignation becomes effective.

##### 3. Filling Vacancies

Except for vacancies created by removal of a director by the members, vacancies on the board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director. The members may fill any vacancy or vacancies not filled by the directors.

##### 4. No Vacancy on Reduction of Number of Directors

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

#### E. Directors' Meetings

##### 1. Place of Meetings

Meetings of the board shall be held at any place within or outside California that has been designated by resolution of the board or in the notice of the meeting or, if not so designated, at the principal office of the corporation.

## 2. Meetings by Telephone or other Telecommunications

Any meeting may be held by conference telephone or other telecommunication, as long as all directors participating in the meeting can communicate with each other. All such directors shall be deemed to be present in person at such a meeting.

## 3. Annual Meeting

Immediately after each annual meeting of members, the board shall hold a regular meeting for purposes of organization, election of officers, and the transaction of other business. Notice of this meeting is not required.

## 4. Other Regular Meetings

Other regular meetings of the board may be held without notice at such time and place as the board may fix from time to time.

## 5. Special Meetings

### a. Authority To Call

Special meetings of the board for any purpose may be called at any time by the chair of the board, if any, the president or any vice president, or the secretary or any two directors.

### b. Notice

#### (1) Manner of Giving Notice

Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the corporation.

#### (2) Time Requirements

Notices sent by first-class mail shall be deposited in the United States mails at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.

### (3) Notice Contents

The notice shall state the time of the meeting, and the place if the place is other than the principal office of the corporation. It need not specify the purpose of the meeting.

### 6. Quorum

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions between the corporation and one or more directors or between the corporation and any entity in which a director has a material financial interest, (b) creation of and appointments to committees of the board, and (c) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

### 7. Waiver of Notice

Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

### 8. Adjournment

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

### 9. Notice of Adjourned Meeting

Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

### F. Action Without a Meeting

Any action that the board is required or permitted to take may be taken without a meeting if all members of the board consent in writing to that action. Such action by written consent shall have



the same force and effect as any other validly approved action of the board. All such consents shall be filed with the minutes of the proceedings of the board.

## G. Compensation and Reimbursement

Directors may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by board resolution to be just and reasonable as to the corporation at the time the resolution is adopted.

## H. Committees

### 1. Committees of the Board

The board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more committees, each consisting of two or more directors and no persons who are not directors, to serve at the pleasure of the board. Appointments to committees of the board shall be by majority vote of the authorized number of directors. The board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the board resolution, shall have all the authority of the board except that no committee, regardless of board resolution, may:

- (a) Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- (b) Fill vacancies on the board or on any committee that has the authority of the board;
- (c) Fix compensation of the directors for serving on the board or on any committee;
- (d) Amend or repeal bylaws or adopt new bylaws;
- (e) Amend or repeal any board resolution that by its express terms is not so amendable or repealable;
- (f) Create any other committees of the board or appoint the members of committees of the board;
- (g) Expend corporate funds to support a nominee for director after more people have been nominated for director than can be elected; or
- (h) With respect to any assets held in charitable trust, approve any contract or transaction between the corporation and one or more of its directors or between the corporation and an entity in which one or more of its directors have a material financial interest, subject to the special approval provisions of section 5233(d)(3) of the California Corporations Code.

### 2. Meetings and Actions of Committees

Meetings and actions of committees of the board shall be governed by, held, and taken in accordance with, the provisions of these bylaws concerning meetings and other board actions except that the time for regular meetings of such committees and calling of special meetings of such committees may be determined either by board resolution, or if there is none, by resolution of the committee. Minutes of each meeting of any committee of the board shall be kept and shall be filed with the corporate records. The board may adopt rules for the government of any committee that are consistent with these bylaws or, in the absence of rules adopted by the board, the committee may adopt such rules.

### 3. Particular Board and Advisory Committees

The bylaws may establish particular committees, e.g., an executive committee, audit committee, nominating committee, compensation committee, and finance committee. The board cannot, however, delegate the powers listed in Corp C 7212 (a) (1)-(8) to any committee.

If any committee is to have any nondirector committee members, it is not a committee of the board, and it should be clearly labeled an "advisory committee." Unless the bylaws provide otherwise, the board may delegate management of the corporation's activities to an advisory committee (Corp C 7210, 7212) to the same extent that those powers could be delegated to anyone under Corp C 7210. If the committee does not exercise the authority of the board, 6.193-6.194 need not apply to it.

## X. Officers

### A. Officers of the Corporation

The officers of the corporation shall be a president, a vice president, a secretary, and a treasurer (chief financial officer). The corporation may also have, at the board's discretion, a chair of the board, more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with Section X.C. of these bylaws. Any number of offices may be held by the same person. Members of the board may also serve as officers of the corporation.

### B. Election of Officers

The officers of the corporation, except as provided for the President, Vice President, Secretary and Treasurer in Sections XI. B. and XI. C. of these bylaws, shall be chosen annually by the board and shall serve at the pleasure of the board, subject to the rights, if any, of any officer under any contract of employment.

### C. Other Officers

The board may appoint and may authorize the chair of the board, the president, or other officer to appoint any other officers that the corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the bylaws or determined by the board.

#### D. Removal of Officers

Without prejudice to any rights of an officer under any contract of employment, an officer chosen by the board may be removed with or without cause by the board, and also, if the officer was chosen by an officer, by any officer on whom the board may confer that power of removal.

#### E. Resignation of Officers

Any officer may resign at any time by giving written notice to the corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

#### F. Vacancies in Office

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to that office, provided, however, that vacancies need not be filled, on an annual basis.

#### G. Responsibilities of Officers

##### 1. Chair of the Board

If a chair of the board is elected, he or she shall preside at board meetings and shall exercise and perform such other powers and duties as the board may assign from time to time. If there is no president, the chair of the board shall also be the chief executive officer and shall have the powers and duties prescribed by these bylaws for the president of the corporation.

##### 2. President

Subject to such supervisory powers as the board may give to the chair of the board, if any, and subject to the control of the board, the president shall be the general manager of the corporation and shall supervise, direct, and control the corporation's activities, affairs, and officers. The president shall preside at all members' meetings and, in the absence of the chair of the board, or if there is none, at all board meetings. The president shall have such other powers and duties as the board or bylaws may prescribe.

##### 3. Vice Presidents

In the absence or disability of the president, the vice presidents, if any, in order of their rank as fixed by the board or, if not ranked, a vice president designated by the board shall perform all duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice presidents shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

#### 4. Secretary

##### a. Book of Minutes

The secretary shall keep or cause to be kept, at the corporation's principal office or such other place as the board may direct, a book of minutes of all meetings, proceedings, and actions of the board, of committees of the board, and of members' meetings. The minutes of meetings shall include the time and place of holding, whether the meeting was annual, regular, or special and, if special, how authorized, the notice given, the names of those present at board and committee meetings, and the number of members present or represented at members' meetings. The secretary shall keep or cause to be kept, at the principal office in California, a copy of the articles of incorporation and bylaws, as amended to date.

##### b. Membership Records

The secretary shall keep or cause to be kept, at the corporation's principal office or at a place determined by board resolution, a record of the corporation's members, showing each member's name, address, and class of membership.

##### c. Notices, Seal, and Other Duties

The secretary shall give, or cause to be given, notice of all meetings of members, of the board, and of committees of the board required by these bylaws to be given. The secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

#### 5. Treasurer (Chief Financial officer)

##### a. Books of Account

The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the corporation's properties and transactions. The chief financial officer shall send or cause to be given to the members and directors such financial statements and reports as are required by law, by these bylaws, or by the board to be given. The books of account shall be open to inspection by any director at all reasonable times.

##### b. Deposit and Disbursement of Money and Valuables

The chief financial officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositories as the board may designate, shall disburse the corporation's funds as the board may order, shall render to the president, chair of the board, if any, and the board, when requested, an account of all transactions as chief financial officer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as the board or the bylaws may prescribe.

##### c. Bond

If required by the board, the chief financial officer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of the office and for restoration to the corporation of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the chief financial officer on his or her death, resignation, retirement, or removal from office.

## XI. Indemnification

### A. Right of Indemnity

To the fullest extent permitted by law, this corporation shall indemnify its directors, officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

### B. Approval of Indemnity

On written request to the board by any person seeking indemnification under Section 7237(b) or Section 7237 (c) of the California Corporations Code, the board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the board shall authorize indemnification. If the board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the board shall promptly call a meeting of members. At that meeting, the members shall determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237 (b) or Section 7237(c) has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

### C. Advancement of Expenses

To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under Section XI. of these bylaws in defending any proceeding covered by those Sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

## XII. Insurance

The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, against any

liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's, or agent's status as such.

### XIII. Records and Reports

#### A. Maintenance of Corporate Records

The corporation shall keep:

- (1) Adequate and correct books and records of account;
- (2) Written minutes of the proceedings of its members, board, and committees of the board; and
- (3) A record of each member's name, address, and class of membership.

#### B. Members' Inspection Rights

##### 1. Membership Records

Subject to Division 2, Part 3, Chapter 13, Article 3 (commencing at Section 8330) of the California Corporations Code and unless the corporation provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

- (a) Inspect and copy the records of members I names, addresses and voting rights during usual business hours on five days prior written demand on the corporation, which demand must state the purpose for which the inspection rights are requested; or
- (b) obtain from the secretary of the corporation, on written demand and tender of a reasonable charge, a list of names addresses, and voting rights of members who are entitled to vote for the election of directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the member. The demand shall state the purpose for which the list is requested. The secretary shall make this list available to the member on or before the later of ten days after (i) the demand is received or (if) the date specified in the demand as the date as of which the list is to be compiled.

The corporation may, within ten business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing n and must state the reasons that the proposed alternative does not meet the proper purpose of the demand.

If the corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this Section, it may deny the member access to the membership list.

Any inspection and copying under this Section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the corporation.

## 2. Accounting Records and Minutes

On written demand on the corporation, any member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the members, the board, and committees of the board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. Any right of inspection extends to the records of any subsidiary of the corporation.

## C. Maintenance and Inspection of Articles and Bylaws

The corporation shall keep at its principal office, or if its principal office is not in California, at its principal business office in this state, the original or a copy of the articles of incorporation and bylaws, as amended to date, which shall be open to inspection by the members at all reasonable times during office hours. If the principal office of the corporation is outside California and the corporation has no principal business office in this state, the secretary shall, on the written request of any member, furnish to that member a copy of the articles of incorporation and bylaws as amended to date.

## D. Inspection by Directors

Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

## E. Annual Report

(1) An annual report shall be prepared within 120 days after the end of the corporation's fiscal year. That report shall contain the following information in appropriate detail:

(a) A balance sheet as of the end of the fiscal year, and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by the certificate of an authorized officer of the corporation that they were prepared without audit from the books and records of the corporation.

(b) A statement of the place where the names and addresses of current members are located.

(c) Any information that is required by Section XIII.F.

(2) The corporation shall notify each member annually of the member's right to receive a financial report under this Section. Except as provided in subsection (3) of this bylaw, on written request by a member, the board shall promptly cause the most recent annual report to be sent to the requesting member.

(3) This Section shall not apply if the corporation receives less than \$10,000 in gross revenues or receipts during the fiscal year.

#### F. Annual Statement of Certain Transactions and Indemnifications

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

(1) Unless approved by members under Section 7233(a) of the California Corporations Code, any transaction (a) to which the corporation, its parent, or its subsidiary was a party, (b) which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (c) in which either of the following interested persons had a direct or indirect material financial interest (a mere common directorship is not a material financial interest):

(a) Any director or officer of the corporation, its parent, or its subsidiary;

(b) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction, and, when practicable, the amount of that interest, provided that, in the case of a partnership in which such person is a partner, only the interest of the partnership need be stated.

(2) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under Section XI. of these bylaws, unless the loan, guaranty, indemnification, or advance has already been approved by the members under Section 5034 of the California Corporations Code, or the loan or guaranty is not subject to the provisions of subdivision (a) of Section 7235(x) of that Code.

#### XIV. Construction and Definitions

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes



the feminine and neuter, the singular includes the plural and the plural includes the singular, and the term "person" includes both a legal entity and a natural person.

## XV. Amendments

### A. Amendment by Board

#### 1. Membership Rights Limitation

Subject to the rights of members under Section XV.A.5 and XV.B. of these bylaws, the board may adopt, amend, or repeal bylaws unless the action would:

- (a) Materially and adversely affect the members' rights as to voting, dissolution, redemption, or transfer;
- (b) Increase or decrease the number of members authorized in total or for any class;
- (c) Effect an exchange, reclassification, or cancellation of all or part of the memberships; or
- (d) Authorize a new class of membership.

#### 2. Changes to Number of Directors

Once members have been admitted to the corporation, the board may not, without the approval of the members, specify or change any bylaw provision that would:

- (a) Fix or change the authorized number of directors;
- (b) Fix or change the minimum or maximum number of directors; or
- (c) Change from a fixed number of directors to a variable number of directors or vice versa.

#### 3. Amendment of bylaws by board.

The bylaws may only be amended by a unanimous vote of all members of the board.

#### 4. High Vote Requirement

If any provision of these bylaws requires the vote of a larger proportion of the board than otherwise required by law, such provision may not be altered, amended, or repealed except by that greater vote.

#### 5. Members' Approval Required

Without the approval of the members, the board may not adopt, amend, or repeal any bylaw that would:

- (a) Increase or extend the terms of directors;
- (b) Allow any director to hold office by designation or selection rather than by election by a member or members;
- (c) Increase the quorum for members' meetings;
- (d) Repeal, restrict, create, expand, or otherwise change proxy rights; or
- (e) Authorize cumulative voting.

#### B. Amendment by Members

New bylaws may be adopted or these bylaws may be amended or repealed by approval of the members, provided, however, that any such adoption, amendment, or repeal also requires approval by the members of a class if that action would:

- (1) Materially and adversely affect the rights, privileges, preferences, restrictions, or conditions of that class as to voting, dissolution, redemption, or transfer in a manner different than the action affects another class;
- (2) Materially and adversely affect that class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of another class;
- (3) Increase or decrease the number of memberships authorized for that class;
- (4) Increase the number of memberships authorized for another class;
- (5) Effect an exchange, reclassification, or cancellation of all or part of the memberships of that class; or
- (6) Authorize a new class of memberships. Any provision of these bylaws that requires the vote of a larger proportion of the members than otherwise is required by law may not be altered, amended, or repealed except by vote of that greater number. No amendment may extend a director's term beyond that for which the director was elected.

Amendments to the bylaws may be considered by the membership only if proposed by written petition signed by twenty percent of the membership in good standing. The bylaws may only be amended by at the vote of at least 2/3 of the membership in good standing.