

## **RESTATED BYLAWS**

**OF**

### **NAPA VALLEY ART ASSOCIATION,**

a California Nonprofit Public Benefit Corporation

#### **ARTICLE I NAME AND OFFICES**

Section 1.1 Name. The legal name of this corporation is Napa Valley Art Association. This corporation also does business as Art Association Napa Valley (AANV), Art Gallery Napa Valley, Open Studios Napa Valley, and Art Center Napa Valley.

Section 1.2 Offices. This corporation's principal office shall be fixed and located at such location as is established by the board of directors of this corporation (the "Board"; each member of the Board, a "Director") within Napa Valley. The board of directors of this corporation (the "Board"; each member of the Board, a "Director") may change the location of the principal office. Any such change of location shall be noted by the Secretary on these Bylaws opposite this Section or recorded in an amendment to this Section. The Board may establish branch or subordinate offices at any place or places where this corporation is qualified under the law to conduct its activities.

#### **ARTICLE II PURPOSES**

Section 2.1 Purposes. The purposes of this corporation are charitable and educational, each within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or any corresponding provision(s) of any future United States internal revenue law) and Section 23701d of the California Revenue and Taxation Code (or any corresponding provision(s) of any future California internal revenue law). In the context of these general purposes, this corporation shall engage in activities pertaining to the visual arts and foster and encourage creative art, its understanding and appreciation among the members and the general public. The purposes of this corporation as stated in this Section must be consistent with the purposes as stated in the Articles of Incorporation of this corporation (the "Articles"). Any change to the purposes stated in this Section, or operation outside of the scope of such purposes, will require amendment to these Bylaws.

#### **ARTICLE III MEMBERSHIP**

Section 3.1 Classes and Qualifications of Membership. This corporation shall have two classes of members: (a) active members, and (b) lifetime members. Members must be 16 years or older. Lifetime members shall be members approved for such membership by the Board.

Section 3.2 Rights of Membership. All members shall have the right to vote, as set forth in these Bylaws, on:

- (a) The election of Directors;
- (b) The removal of Directors pursuant to Section 5222 of the California Nonprofit Public Benefit Corporation Law;
- (c) Any amendment to these Bylaws that materially and adversely affects member voting rights;
- (d) Any amendment to the Articles, except for amendments permitted to be adopted by the Board alone under Section 5812(b) of the California Nonprofit Public Benefit Corporation Law;
- (e) The disposition of all or substantially all of this corporation's assets;
- (f) Any merger and its principal terms and any amendment of those terms;
- (g) Any election to dissolve this corporation; and
- (h) Any other matters that may properly be presented to membership vote, pursuant to the Articles, Bylaws, or action of the Board, or by operation of law.

Section 3.3 Nonvoting "Members". The Board may, in its discretion, admit individuals to one or more classes of nonvoting members and refer to such individuals as "members" or "associate members" even though they are not members within the meaning of Section 5056 of the California Nonprofit Corporation Law and Section 3.1 of these Bylaws. Such class or classes of nonvoting members shall have such rights and obligations as the Board deems appropriate. Notwithstanding the above, references to "members" in these Bylaws shall mean members within the meaning of Section 5056 of the California Nonprofit Corporation Law and Section 3.1 of these Bylaws.

Section 3.4 Membership Dues, Fees, and Assessments. Each active member must pay, within the time and on the conditions set by this corporation, the dues, fees, and assessments in amounts to be fixed from time to time by this corporation. The dues, fees, and assessments shall be equal for all active members. Lifetime members shall not be required to pay dues.

Section 3.5 Members in Good Standing. 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.

Section 3.6 Termination of Membership. A membership shall terminate on the occurrence of any of the following events:

- (a) Resignation of the member;

(b) The member has been declared by final order of a court to be of unsound mind;

(c) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;

(d) The member's failure to pay dues, fees, or assessments as set by this corporation within one (1) month after they are due and payable; provided, however, that such membership may be reinstated with payment of a fee determined by the Board within 30 days of termination;

(e) Termination of membership under Section 3.8 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 this corporation, or has engaged in conduct materially and seriously prejudicial to this corporation's purposes and interests.

Section 3.7 Suspension of Membership. A member may be suspended, under Section 3.8 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 this corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to this corporation's purposes and interests. A person whose membership has been suspended shall not be a member during the period of suspension.

Section 3.8 Procedures for Termination or Suspension of Membership. If grounds appear to exist for suspending or terminating a member under Sections 3.6 or 3.7 of these Bylaws, the following procedure shall be followed:

(a) The Board shall give the member at least fifteen (15) days' prior notice of the proposed suspension or termination and the reasons for the proposed suspension or termination. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on this corporation's records.

(b) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed suspension or termination. 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 suspension or termination should occur.

(c) The Board, committee, or person shall decide whether the member shall be suspended, expelled, or sanctioned in any 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.

Section 3.9 Transfer of Membership. No membership or any right arising from membership shall be transferred. All rights of membership cease on the member's death, suspension, termination, or dissolution.

Section 3.10 Rights of Inspection of Membership Records. Unless this 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 containing members' names, addresses, and voting rights during usual business hours on five (5) business days' prior written demand on this corporation, which must state the purpose for which the inspection rights are requested, and payment of a reasonable charge for time and materials; or

(b) Obtain from the Secretary of this 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 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 (10) business days after the demand is received or the date specified in the demand as the date of which the list is to be compiled.

This corporation may, within ten (10) 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 by the member must be in writing and must state the reasons the proposed alternative does not meet the proper purpose of the demand.

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

Section 3.11 Rights of Inspection of Accounting Records and Minutes. On written demand made to this 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 and with a reasonable charge for time and materials.

## **ARTICLE IV MEETINGS OF THE MEMBERS**

Section 4.1 Place of Meeting. Meetings of the members shall be held at any place within or outside the State of California that has been designated from time to time by the Board. In the absence of such a designation, regular meetings of the members shall be held at the

principal office of this corporation. The Board may authorize members who are not present in person to participate by electronic transmission or electronic video communication.

(a) If authorized by the Board in its sole discretion, and subject to the requirements of consent in California Corporations Code Section 20(b) and any guidelines and procedures the Board may adopt, members not physically present in person at a meeting of the members may, by electronic transmission by and to this corporation or by electronic video screen communication, participate in a meeting of the members, be deemed present in person, and vote at a meeting of the members whether that meeting is to be held at a designated place or in whole or in part by means of electronic transmission by and to this corporation or by electronic video screen communication, subject to the requirements of these Bylaws.

(b) A meeting of the members may be conducted, in whole or in part, by electronic transmission by and to this corporation or by electronic video screen communication (1) if this corporation implements reasonable measures to provide members present in person a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (2) if any member votes or takes other action at the meeting by means of electronic transmission to this corporation or electronic video screen communication, a record of that vote or action is maintained by this corporation. Any request by this corporation to a member pursuant to California Corporations Code Section 20(b) for consent to conduct a meeting of the members by electronic transmission by and to this corporation shall include a notice that absent consent of the member pursuant to California Corporations Code Section 20(b), the meeting shall be held at a physical location in accordance with Subsection (a) of this Section of these Bylaws.

Section 4.2 Annual and Regular Meetings. An annual meeting of the members shall be held in December on such date and at such time as may be selected by the Board at least thirty (30) days in advance of such date, unless the Board by resolution fixes another date or time for the annual meeting and so notifies members as provided in Section 4.4 of these Bylaws. At the meeting, the election result for the Board shall be announced and other proper business may be transacted. Other regular meetings of the members may be held on such dates and at such times as may be fixed from time to time by the Board.

Section 4.3 Special Meetings.

(a) Special meetings of the members for any lawful purpose or purposes may be called at any time by the Board, the President or five percent (5%) or more of the members.

(b) A special meeting called by at least five percent (5%) of the membership shall be called by written request identifying each of these members and specifying the general nature of the business proposed to be transacted, and submitted to the President, any Vice President, or the Secretary of this corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, under Section 4.4 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 thirty-five (35) but no more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after the request is received, 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 the members may be held when the meeting is called by the Board.

(c) No business, other than the business that was set forth in the notice of the meeting, may be transacted at a special meeting of the members.

Section 4.4 Notice. Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given under this Section to each member entitled to vote at that meeting. The notice shall specify the place, date, and time of the meeting, and the means of electronic transmission by and to this corporation or electronic video screen communication, if any, by which members may participate in the meeting. For the annual meeting, the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which Directors are to be elected shall include the names of all persons who are nominees when the notice is given.

(a) 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:

- (1) Removing a Director without cause;
- (2) Filling vacancies on the Board;
- (3) Amending the Articles; and
- (4) Electing to wind up and dissolve this corporation.

(b) Notice of any meeting of the members shall be in writing and shall be given at least fourteen (14), but no more than ninety (90), days before the meeting date. The notice shall be given either personally, by electronic transmission by the corporation, or by first-class, 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 as it appears on the books of this corporation or at the address given by the member to this corporation for purposes of notice. If no address appears on this corporation's books and no address has been so given, notice shall be deemed to have been given if either (i) notice is sent to that member by first-class mail or facsimile or other written communication to this corporation's principal office; or (ii) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

(c) Notice given by electronic transmission by this corporation shall be valid only if consistent with Section 10.13 of these Bylaws.

(d) Notwithstanding the foregoing, notice shall not be given by electronic transmission by this corporation after either of the following: (i) this corporation is unable to deliver two consecutive notices to the member by that means or (ii) the inability so to deliver the notices to the member becomes known to the Secretary, any Assistant Secretary, or any other person responsible for the giving of the notice.

(e) 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 this corporation, and if so executed, shall be filed and maintained in this corporation's minute book.

Section 4.5 Quorum. Ten percent (10%) of the voting power shall constitute a quorum for the transaction of business at any meeting of the members. If, however, the attendance at any general or annual meeting is less than one-third of the voting power, the members may vote only on matters as to which notice of their general nature was given under Section 4.4 of these Bylaws. Except as otherwise required by law, the Articles, or 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 number of members required to constitute a quorum.

Section 4.6 Voting. Subject to the California Nonprofit Public Benefit Corporation Law, members in good standing on the record date as determined under Section 4.10 of these Bylaws shall be entitled to vote at any meeting of the members.

(a) Voting may be by ballot (submitted in person or via mail), except that any election of Directors must be by ballot if demanded before the voting begins by any member at the meeting.

(b) Each member entitled to vote may cast one vote on each matter submitted to a vote of the members or for each open Director position; provided, however, that a member cannot cumulate multiple votes for a single nominee.

(c) If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Public Benefit Corporation Law, the Articles, or these Bylaws.

Section 4.7 Waiver of Notice. The transactions of any meetings of members, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after standard call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each member entitled to vote, not present in person or, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of the meeting except that, if action is taken or proposed to be taken for approval of any matter specified in Section 4.4(a) of these Bylaws, 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 of the meeting.

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.

Section 4.8 Actions by Unanimous Written Consent. Any action required or permitted to be taken by the members may be taken without a meeting if all members individually or collectively consent in writing to the action. The written consent or consents shall be filed with the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the members.

Section 4.9 Actions by Written Ballot. Any action, including the election of Directors, that members may take at any meeting of the members may also be taken without a meeting, at the sole discretion of the Board, by complying with the following provisions:

(a) This corporation shall distribute one written ballot to each member entitled to vote on the matter. If approved by the Board, the ballot and any related material may be sent by this corporation, and responses may be returned to this corporation by electronic transmission that meets the requirements of Section 10.13 of these Bylaws. All solicitations of votes by written ballot shall (a) state the number of responses needed to meet the quorum requirement; (b) state, with respect to ballots other than for election of Directors, the percentage of approvals necessary to pass the measure or measures; and (c) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (a) set forth the proposed action; (b) give the members an opportunity to specify approval or disapproval of each proposal; and (c) provide a reasonable time in which to return the ballot to this corporation. If this corporation has one hundred (100) or more members, any written ballot distributed to ten or more members shall provide that, subject to reasonable specified conditions, if the person solicited specifies a choice in any such matter, the vote shall be cast according to 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.

(b) Approval by written ballot shall be valid only when (i) the number of votes cast by ballot (including 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 (ii) 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.

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



Section 4.10 Record Date for Notice, Voting, Written Ballots, and Other Actions. For purposes of establishing the members entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action, the Board may, in advance, fix a record date. The record date so fixed for:

(a) Sending notice of a meeting shall be no more than ninety (90) days nor less than ten (10) days before the date of the meeting;

(b) Voting at a meeting shall be no more than sixty (60) days before the date of the meeting;

(c) Voting by written ballot shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(d) Taking any other action shall be no more than sixty (60) days before that action.

Section 4.11 Record Date for Actions Not Set by Board. If not otherwise fixed by the Board, the record date for determining members entitled to receive notice of a meeting of the members shall be the first business day preceding the day on which notice is given or, if notice is waived, the first business day preceding the day on which the meeting is held. If not otherwise fixed by the Board, the record date for determining members entitled to vote at the meeting shall be the day on which the meeting is held.

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.

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 sixtieth (60<sup>th</sup>) day before the date of that action, whichever is later.

For the purposes of Sections 4.10 and 4.11 of these Bylaws, a person holding a membership at the close of business on the record date shall be a member of record.

Section 4.12 Proxies. Proxy voting by members is prohibited.

Section 4.13 Adjournment. 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. No meeting may be adjourned for more than forty-five (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 (or the means of electronic transmission by and to this corporation or electronic video screen communication, if any, by which members may participate) 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, this corporation may transact any business that might have been transacted at the original meeting.

## **ARTICLE V DIRECTORS**

Section 5.1 Powers of Directors. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles and these Bylaws, the activities and affairs of this corporation shall be conducted, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the activities of this corporation to any person or persons, management company, or committees, however composed, provided that the activities and affairs of this corporation shall be managed, and all corporate powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, the Board shall have the power to do the following:

(a) Select and remove, at the pleasure of the Board, all officers, agents, and employees of this corporation; prescribe powers and duties for them as may not be inconsistent with the law, the Articles, or these Bylaws; and fix their compensation;

(b) Change the principal office or the principal business office of this corporation in California from one location to another; cause this corporation to be qualified to conduct its activities in any other state, territory, dependency, or country; and conduct its activities in or outside California;

(c) Conduct, manage, and control the affairs and activities of this corporation and make such rules and regulations for these purposes, not inconsistent with law, the Articles, or these Bylaws, as the Board deems appropriate; and

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

Section 5.2 Standard of Care. A Director shall perform the duties of a Director, including duties as a member of any Board Committee, in good faith, in a manner that the Director believes to be in the best interests of this corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more officers or employees of this corporation whom the Director believes to be reliable and competent in the matters presented;

(b) Counsel, independent accountants, or other persons as to matters which the Director believes to be within that person's professional or expert competence; or

(c) A committee upon which the Director does not serve that is composed exclusively of any or any combination of Directors and persons described in Subsection (a)

and (b) of this Section 5.2 as to matters within the committee's designated authority, which committee the Director believes to merit confidence, so long as, in any case, the Director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances, and without knowledge that would cause that reliance to be unwarranted.

Section 5.3 Number of Directors. The authorized number of Directors shall consist of at least eleven (11) but no more than 17 (seventeen) Directors, until changed by amendment to these Bylaws. The exact number of authorized Directors from time to time shall be fixed, within those limits, by a resolution adopted by the Board.

Section 5.4 Selection and Term of Office. Directors, other than the immediate past President, who shall be an *ex officio* Director with all the rights of a Director, shall be elected at an annual meeting of the members. Where there are multiple candidates for a Director position, none of which receives an affirmative vote from a majority of the members present at a duly held meeting at which a quorum is present, the nominated and qualified candidate or candidates receiving the largest number of affirmative votes, provided such number is greater than thirty percent (30%) of the number of members actually voting, shall be elected to the Director position(s). Each Director shall serve for a term of approximately one year and shall continue to serve until a successor Director has been elected and qualified, unless the Director has resigned or been removed from office.

Section 5.5 Nominations of Directors.

(a) *Nominations by the Nominating Committee.* The Nominating Committee shall nominate qualified candidates for election to the Board in September of each year in which Directors are to be elected. The Nominating Committee shall forward to the Secretary or the Board its list of nominees by October 15 and a final list of qualified nominees by November 1, or at such other dates as the Board may set, and this corporation shall forward to each member a list of all qualified nominees, as of such dates, at the October and the annual membership meetings.

(b) *Floor Nominations by Members.* Members shall be given an opportunity to nominate qualified candidates for election to the Board at the October membership meeting.

(c) *Nominee's Right to Solicit Votes.* The Board shall establish procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

(d) *Use of Corporate Funds.* If more people have been nominated for the position of Director than can be elected, no corporate funds may be expended to support a nominee without the Board's authorization.

Section 5.6 Qualifications of Directors. Any member eighteen (18) years of age or older in good standing may be elected to serve as a Director.

Section 5.7 Restriction on Interested Directors. Not more than forty-nine percent (49%) of the persons serving on the Board at any one time may be interested persons as that term is defined below. An “interested person” is (a) any person currently being compensated by this corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director for services they provided in their capacity as a Director; and (b) any sibling; ancestor; descendant; spouse; or sibling-in-law, child-in-law, or parent-in-law of any person described in clause (a). Any violation of the provisions of this Section shall not, however, affect the validity or enforceability of any transaction entered into by this corporation.

Section 5.8 Vacancies, Resignations, and Removal.

(a) A vacancy or vacancies in the Board shall be deemed to exist in case of (i) the death, resignation, or removal of any Director; (ii) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by a final order of court, been convicted of a felony, or been found by a final order or judgment of any court to have breached any duty arising under Chapter 2, Article 3 of the California Nonprofit Public Benefit Corporation Law or as provided in Subsection (c) below; (iii) the vote of the members or, if the corporation has fewer than fifty (50) members, the vote of a majority of all members, to remove the Director(s); (iv) the increase of the authorized number of Directors; or (v) the failure of the members, at any meeting of the members at which any Director or Directors are to be elected, to elect the full authorized number of Directors.

(b) Except as provided herein, any Director may resign by giving written notice to the President, or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time at which it will become effective. If the resignation is to become effective at a later time, the Board may elect a successor Director before such time, to take office as of the date when the resignation becomes effective. Except on notice to the California Attorney General, no Director may resign if, by doing so, this corporation would be left without a duly elected Director or Directors.

(c) Any Director may be removed, with or without cause, by approval of the members. Any vacancy caused by the removal of a Director shall be filled as provided in Section 5.8(d). The office of any Director who was elected after the date of adoption of these Bylaws who does not attend three (3) successive Board meetings may be declared vacant and the Director may be removed from office by Board resolution unless the Director requests a leave of absence for a limited period of time, and the leave is approved by the Board (if such leave is granted, the number of Directors then in office will be reduced by one in determining whether a quorum is or is not present during the period of leave). Any Director who has been removed from the Board pursuant to the procedure set forth in the preceding sentence may only be reinstated as a Director by resolution of the majority of Directors then in office.

(d) Except for a vacancy created by the removal of a Director by the members, vacancies in the Board may be filled by approval of the Board or by a sole remaining Director if only one Director remains. Each Director so selected shall hold office until the expiration of the term of the Director whom they replaced and shall continue to

serve until a successor has been elected and qualified. The members may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Board.

(e) No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of the Director's term of office.

Section 5.9 Rights of Inspection. Each Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind of this corporation and to inspect the physical properties of this corporation. This right of inspection shall include the right to copy and make extracts of the books, records, and documents of every kind. The inspection may be made by the Director in person or by the Director's agent or attorney.

Section 5.10 Fees and Compensation. Directors shall not receive any compensation from this corporation for their services as Directors, officers, or members of Board committees. However, Directors may receive reimbursement for reasonable expenses incurred in providing such services as the Board may determine to be just and reasonable as to this corporation.

Section 5.11 Approval of Executive Compensation. The Board (or authorized Board Committee) shall review and approve the compensation, including benefits, of the President or chief executive officer and of the Treasurer to assure that such compensation is just and reasonable and given in return for services actually rendered to this corporation. This review and approval shall occur upon the hiring of the officer, whenever the officer's term of employment (if any) is renewed or extended, and whenever the officer's compensation is modified (unless the modification extends to substantially all employees).

## **ARTICLE VI MEETINGS OF THE BOARD**

Section 6.1 Place of Meeting. Meetings of the Board shall be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal office of this corporation.

Section 6.2 Annual Meetings. The Board shall hold an annual meeting for the purposes of organization, the selection of officers, and the transaction of other business.

Section 6.3 Regular Meetings. Regular meetings, including the annual meeting, of the Board may be held without call or notice monthly on such dates and at such times as may be fixed from time to time by the Board.

Section 6.4 Special Meetings.

(a) Special meetings of the Board for any purpose or purposes may be called at any time by the (if there be such an officer), the President, the Vice President, the Secretary, or any two (2) Directors.

(b) Notice of the date, time, and place of special meetings shall be given to each Director by (i) personal delivery of oral or written notice; (ii) first-class mail, postage

prepaid; (iii) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or electronic transmission, 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; (iv) facsimile; (v) email; or (vi) other electronic means. Any such notice shall be addressed or delivered to each Director at such Director's address, phone number, facsimile number, or email address as it is shown upon the records of this corporation or as may have been given to this corporation by the Director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the Board are regularly held. Any notice sent by electronic means must be in compliance with Section 10.13 of these Bylaws.

(c) Notice of a special meeting sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notice of a special meeting given personally or by telephone, facsimile, electronic transmission, or other similar means of communication, shall be delivered, telephoned, or otherwise sent, as appropriate, at least forty-eight (48) hours before the time set for the meeting.

(d) Notice of a special meeting shall state the time and date of the meeting and the place, if the place is other than this corporation's principal office. The notice does not need to specify the purpose of the meeting.

Section 6.5 Quorum. A majority of the number of Directors then in office constitutes a quorum of the Board for the transaction of business, except to adjourn as provided in Section 6.10 of these Bylaws. These Bylaws may not be amended to define a quorum as less than the greater of (a) one-fifth (1/5) of the minimum number of authorized Directors, or (b) two (2). 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 regarded as the act of the Board, except as otherwise set forth in these Bylaws and subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships, (c) creation of and appointments to committees of the Board, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of any Director(s) from that meeting, if any action taken is approved by at least a majority, or such higher standard as is required by these Bylaws or by the California Nonprofit Public Benefit Corporation Law for a specific action of the Board, of the required quorum for such meeting.

Section 6.6 Voting. Each Director present shall be entitled to one vote on each matter placed before a meeting. No Director may vote by proxy. At an annual meeting, the Directors whose terms are expiring shall, until the end of such meeting at which their successors have been elected, be entitled to vote upon all matters, including the election of their successors.

Section 6.7 Participation in Meetings by Conference Telephone. Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or electronic transmission. Participation in a meeting through use of conference telephone or electronic video screen communication constitutes presence in person at that meeting as long as all Directors participating in such meeting are able to hear one another. Participation in

a meeting through use of electronic transmission by or to this corporation, other than conference telephone and electronic video screen communication, constitutes presence in person at that meeting if each Director can communicate with all of the other Directors concurrently and each Director is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by this corporation.

Section 6.8 Waiver of Notice. Notice of a meeting need not be given to any Director who, either before or after the meeting, provides a signed waiver of notice; signs a written consent to the holding of the meeting or an approval of the minutes of the meeting; or attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. Any such waiver of notice does not need to 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.

Section 6.9 Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if all Directors shall consent, individually or collectively, in writing to such action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board and the written consent or consents shall be filed with the minutes of the proceedings of the Board. For purposes of this Section 6.9 only, "all Directors" shall not include any "interested director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law or a "common director" as described in Section 5234 of the California Nonprofit Public Benefit Corporation Law who abstains in writing from providing consent, when (i) the facts described in Section 5233(d)(1) or (d)(2) are established or the provisions of Section 5234(a) are satisfied, as appropriate, at or before the execution of the written consent or consents; (ii) the establishment of those facts or satisfaction of those provisions is included in the written consent or consents executed by the noninterested or noncommon directors or in other records of this corporation; and (iii) the noninterested or noncommon directors approve the action by a vote that is sufficient without counting the votes of the interested directors or common directors.

Section 6.10 Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting of the Board to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment. At the adjourned meeting, the Board may transact any business that may have been transacted at the original meeting.

Section 6.11 Conduct of Meetings. Meetings of the Board shall be presided over by the President or, if the President is absent, by the Vice President or, in the absence of each of these persons, by a chairperson of the meeting chosen by a majority of the Directors present at the meeting. The Secretary shall, if present, ensure that minutes of any meeting of the Board are recorded and maintained.

## ARTICLE VII COMMITTEES

Section 7.1 Board Committees. The Board, by resolution adopted by a majority of the Directors then in office, may create one or more committees, each consisting of two (2) or more Directors and no one who is not a Director, to serve at the pleasure of the Board (“Board Committees”). Appointments to Board Committees shall be by majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of any Board Committee, who may replace any absent member at any meeting. Any member of any Board Committee may be removed, with or without cause, at any time by the Board. The Board may, at any time, revoke or modify any or all of the authority that the Board has delegated to a Board Committee, increase or decrease (but not below two (2)) the number of members of a Board Committee, and fill vacancies in a committee. Any such Board Committee shall have all the authority of the Board, to the extent provided in the Board resolution, except with respect to:

- (a) The establishment of the exact number of authorized Directors within the range specified in Section 5.3 of these Bylaws;
- (b) The approval of any action for which the California Nonprofit Public Benefit Corporation Law also requires approval of the members or approval of a majority of all members;
- (c) The filling of vacancies on the Board or on any Board Committee;
- (d) The fixing of compensation of the Directors for serving on the Board or any Board Committee;
- (e) The amendment of the Articles;
- (f) The amendment or repeal of these Bylaws or the adoption of new or restated Bylaws;
- (g) The amendment or repeal of any resolution of the Board that, by its express terms, is not so amendable or repealable;
- (h) The creation of other Board Committees or appointment of members to any Board Committee;
- (i) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected;
- (j) The approval of any self-dealing transaction, as such transactions are defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law, except as provided in Section 5233(d)(3); or
- (k) The merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of this corporation.



The Board shall have the power to prescribe the manner in which proceedings of any such Board Committee shall be conducted. In the absence of any such prescription, such Board Committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such Board Committee shall otherwise provide, the regular and special meetings and other actions of any such Board Committee shall be governed by the provisions of Article VI of these Bylaws applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each Board Committee and shall be filed with the corporate records.

Section 7.2 Advisory Committees. The Board may from time to time create advisory committees and other committees that are not Board Committees (collectively, “Advisory Committees”) as deemed appropriate, consisting of Directors or persons who are not Directors, but such Advisory Committees shall not be deemed Board Committees and shall not exercise any powers of the Board. Advisory Committees may be delegated with implementation of certain specified tasks under the direction and control of the Board. Notice of, and procedures for, meetings of Advisory Committees shall be as prescribed by the chair of each such committee, and meetings of any Advisory Committee may be called by the Board, the President, or the chair of the Advisory Committee.

Section 7.3 Nominating Committee. The Nominating Committee shall be a standing Advisory Committee composed of three or more members appointed by the President and shall abide by the nominations procedures described in Section 5.5 of these Bylaws.

## **ARTICLE VIII OFFICERS**

Section 8.1 Officers. The officers of this corporation shall be a President, a Vice President, a Secretary, a Treasurer, and a Membership Manager. This corporation may also have at the discretion of the Board, such other officers as may be elected or appointed in accordance with the provisions of Section 8.3 of these Bylaws. All officers must be selected from among the Directors. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve concurrently as President.

Section 8.2 Election. The officers of this corporation, except those officers employed for compensation by this corporation and such officers as may be elected or appointed in accordance with the provisions of Section 8.3 or Section 8.5 of these Bylaws, shall be chosen annually by the Board, and shall hold their respective offices starting as of the first meeting of the Board in the calendar year and ending as of their resignation, removal, or other disqualification from service, or until their respective successors shall be elected. All officers of this corporation shall serve at the pleasure of the Board.

Section 8.3 Other Officers. The Board may elect, and may empower the President to appoint, such other officers as the business of this corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as provided in these Bylaws or as the Board may from time to time determine. Such other officers may include one or more Assistant Secretaries and Assistant Treasurers.

Section 8.4 Removal and Resignation.

(a) Without prejudice to the rights of any officer under an employment contract, any officer may be removed, either with or without cause, by the Board at any time or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

(b) Any officer may resign at any time by giving written notice to the Board, President, or Secretary of this corporation, but without prejudice to the rights, if any, of this corporation under any contract to which the officer is a party. Any such resignation shall take effect on the date such notice is received or at any later time specified therein. Unless specified otherwise in the notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled as it occurs in the manner prescribed in these Bylaws for election or appointment to such office; provided, however, that such selection may be made immediately and need not be made on an annual basis. Each officer so selected to fill a vacancy shall hold office until the expiration of the term of the officer whom such person replaced and shall continue to serve until a successor has been elected and qualified.

Section 8.6 President. The President is the general manager and chief executive officer of this corporation and has, subject to the control of the Board, general supervision, direction, and control of the business, activities, and officers of this corporation. The President shall preside at all meetings of the Board. The President has the general powers and duties of management usually vested in the office of president and general manager of a corporation and such other powers and duties as may be prescribed by the Board.

Section 8.7 Vice President. In the absence or disability of the President, and subject to any limitations imposed by the Board, the Vice President (if there be such an officer) is appointed to and shall perform all the duties of the President and shall be the general manager and chief executive officer of this corporation. When so acting, the Vice President shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for the Vice President by the Board.

Section 8.8 Secretary. The Secretary shall keep, or cause to be kept, at the principal office of this corporation or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and any committees thereof. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was regular or special, and, if special, how it was authorized; the notice given, if any; the names of the persons present at the meeting; and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office of this corporation in the State of California, the original or a copy of this corporation's Articles and Bylaws, as amended to date, which shall be open to inspection by the members at all reasonable times during office hours. If this corporation has no business office in California, the Secretary shall, on the written request of any member, furnish to that member a copy of the Articles and Bylaws, as amended to date. The Secretary shall give, or cause to be given, notice of all special meetings of the Board required by these Bylaws or by law to be

given. The Secretary shall also have such other powers and duties as may from time to time be prescribed to the Secretary by the Board or the President.

Section 8.9 Treasurer. The Treasurer of this corporation shall keep and maintain, or cause to be kept and maintained, full and accurate books and records of accounts of this corporation's properties and transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and other matters customarily included in financial statements. The Treasurer shall send, or cause to be sent, to the Directors of this corporation such financial statements and reports as are required to be sent by law, by these Bylaws or by the Board; and shall have such other powers and perform such other duties as may be prescribed to the Treasurer by the Board.

Section 8.10 Membership Chairperson. The Membership Chairperson shall have such powers and perform such duties as may be prescribed to the Membership Chairperson by the Board.

Section 8.11 Duties May be Delegated. In case of the absence of any officer of this corporation, or for any other reason that the Board may deem sufficient, the Board may delegate, for a specified period of time, all or part of the powers or duties of such officer to any other officer or to any Director.

## **ARTICLE IX INDEMNIFICATION**

Section 9.1 Definitions. For the purposes of this Article IX, "agent" means any person who is or was a Director, officer, employee, or other agent of this corporation, or is or was serving at the request of this corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of this corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Sections 9.4 or 9.5(b) of these Bylaws.

Section 9.2 Indemnification in Actions by Third Parties. This corporation shall, to the maximum extent of the law, indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of this corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust), by reason of the fact that such person is or was an agent of this corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by such person in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of this corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo*

*contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 9.3 Indemnification in Actions by or in the Right of this Corporation. This corporation shall, to the maximum extent of the law, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of this corporation, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust, to procure a judgment in this corporation's favor by reason of the fact that such person is or was an agent of this corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of this corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 9.3:

(a) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to this corporation in the performance of such person's duty to this corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 9.4 Indemnification Against Expenses. To the extent that an agent of this corporation has been successful on the merits in defense of any proceeding referred to in Section 9.2 or Section 9.3 of these Bylaws or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 9.5 Required Determination. Except as provided in Section 9.4 of these Bylaws, any indemnification under this Article IX shall be made by this corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 9.2 or Section 9.3 of these Bylaws, by:

(a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding.

(b) Approval of the members, with the persons to be indemnified not entitled to vote thereon; or

(c) The court in which such proceeding is or was pending upon application made by this corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by this corporation.

Section 9.6 Advance of Expenses. Expenses incurred by a person seeking indemnification under this Article IX in defending any proceeding covered by this Article IX may be advanced by this corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article IX.

Section 9.7 Other Indemnification. No provision made by this corporation to indemnify its Directors or officers or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles, these Bylaws, a resolution of members or Directors, an agreement, or otherwise, shall be valid unless consistent with this Article IX. Nothing contained in this Article IX shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 9.8 Forms of Indemnification Not Permitted. No indemnification or advance shall be made under this Article IX, except as provided in Section 9.4 or 9.5(b) of these Bylaws, in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the Articles, these Bylaws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9.9 Insurance. This corporation shall have the power to purchase and maintain insurance on behalf of any agent of this 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 such liability under the provisions of this Article IX; provided, however, that this corporation shall have no power to purchase and maintain such insurance to indemnify any agent of this corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

## ARTICLE X OTHER PROVISIONS

Section 10.1 Amendments. These Bylaws may be amended or repealed by (i) the approval of the Board **[by an affirmative vote of at least a majority of Directors then in office]** at a duly held meeting at which a quorum has been established or by the unanimous written consent of the Board; or (ii) approval of the members by an affirmative vote of at least two-thirds (2/3rds)

of the members in attendance, provided that any amendment is submitted in writing and mailed to each member at least two (2) weeks prior to the meeting at which time they shall be voted upon, and notice of the meeting shall be contained therein. If any provision of these Bylaws requires the vote of a larger proportion of the Board or of the members than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote. Notwithstanding the foregoing, the following types of Bylaws amendments shall require approval of the members:

(a) Any amendment that would materially and adversely affect the rights of members as to voting or transfer;

(b) Any amendment that changes the stated minimum or maximum number of authorized Directors or changes from a fixed number of Directors to a variable number of Directors or vice versa;

(c) Any amendment that increases the term length or the number of consecutive terms that a Director may serve;

(d) Any amendment that increases the quorum requirement for meetings of the members;

(e) Any amendment that repeals, restricts, creates, or expands proxy rights of a member;

(f) Any amendment that authorizes, repeals, or amends cumulative voting rights in an election of Directors; and

(g) Any amendment that allows any Director to hold office by designation or selection rather than by election by the members.

Section 10.2 Maintenance of Corporate Records. This corporation shall keep the following:

(a) Adequate and correct books and records of account;

(b) Minutes of the proceedings of its members, Board, and committees of the Board; and

(c) A record of each member's name, address, and class of membership.

The minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two.

Section 10.3 Maintenance and Inspection of Articles and Bylaws. This corporation shall keep at its principal California office the original or a copy of the Articles and Bylaws, as amended to the current date, which shall be open to inspection by the members at all reasonable times during office hours. If the corporation has no business office in California, the Secretary shall, on the written request of any member, furnish to that member a copy of the Articles and Bylaws, as amended to the current date.

Section 10.4 Endorsement of Documents; Contracts. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof may be signed by any person or persons and in such manner as from time to time shall be determined by the Board, and, unless so authorized by the Board, no officer, agent, or employee of this corporation shall have any power or authority to bind this corporation by any note, mortgage, evidence of indebtedness, contract, conveyance, or engagement, or to pledge its credit or to render it liable for any purpose or amount. Notwithstanding the foregoing, and subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof executed or entered into between this corporation and any other person, when signed by (a) the chair of the board (if there be such an officer); (b) the President; or (c) the Vice President and either the Secretary, any Assistant Secretary, the Treasurer, or any Assistant Treasurer of this corporation may be valid and binding on this corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same.

Section 10.5 Loans to Directors and Officers. This corporation shall not lend any money or property to or guarantee the obligation of any Director or officer of this corporation without the approval of the California Attorney General; provided, however, that this corporation may advance money to a Director or officer of this corporation for expenses reasonably anticipated to be incurred in the performance of their duties if that Director or officer would be entitled to reimbursement for such expenses by this corporation.

Section 10.6 Contracts with Directors. No Director of this corporation nor director of any other corporation, firm, association, or other entity in which one or more of this corporation's Directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this corporation, unless (a) the material facts regarding that Director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith to the Board or are otherwise known to all Directors, prior to the Board's consideration of such contract or transaction, and such full disclosure or prior knowledge is noted in the minutes of the Board meeting; (b) such contract or transaction is authorized in good faith by a majority of the Directors by a vote sufficient for that purpose without counting the vote(s) of the interested Director(s); (c) before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that this corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (d) this corporation enters into the transaction for its own benefit and the transaction is fair and reasonable to this corporation at the time it is entered into. Such a transaction may be approved by a Board Committee so authorized by the Board, rather than by the Board, only if (a) the Board Committee approves the transaction in accordance with the standards set forth preceding sentence; (b) it is not reasonably practicable to obtain approval of the Board prior to entering into such a transaction; and (c) the Board, after determining in good faith that both (a) and (b) are satisfied, ratifies the transaction at its next meeting by a vote of the majority of the Directors then in office without counting the vote of the interested Director(s). This Section 10.6 does not apply to a transaction that is part of a public or charitable program of this corporation if it (a) is approved or authorized by this corporation in good faith and without unjustified favoritism, and (b) results in a benefit to one or more Directors or their families because they are in the class of persons intended to be benefited by the public or charitable program of this corporation.

Section 10.7 Annual Report. The Board shall cause a written annual report to be sent to the members and Directors within one hundred and twenty (120) days after the end of this corporation's fiscal year. The annual report shall be accompanied by a report on this corporation of independent accountants or, if there is no such report, by the certificate of an authorized officer of this corporation that the financial statements included in the annual report were prepared without audit from this corporation's books and records. The annual report shall contain the following information, in appropriate detail, for the fiscal year:

- (a) The assets and liabilities, including the trust funds, of this corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including the trust funds, of this corporation;
- (c) The revenue or receipts of this corporation, both unrestricted and restricted to particular purposes;
- (d) The expenses or disbursements of this corporation for both general and restricted purposes; and
- (e) Any information required by Section 6322 of the California Nonprofit Public Benefit Corporation Law.

The requirement of an annual report as set forth in this Section 10.7 shall not apply if this corporation receives less than twenty five thousand dollars (\$25,000) in gross receipts during the fiscal year, provided, however, that the information specified in this Section for inclusion in an annual report must be furnished annually to all Directors and to any member who requests it in writing. If the Board approves, this corporation may send the annual report, and any accompanying material sent pursuant to this Section by electronic transmission. If a report sent to the Attorney General in compliance with the requirements of Government Code Section 12580 through 12599.7 includes the information required in the annual report, then this corporation may furnish a copy of its report to the Attorney General in lieu of the annual report whenever it is required to furnish an annual report.

Section 10.8 Financial Audit. This corporation shall obtain a financial audit and maintain a properly composed audit committee for any tax year in which it receives or accrues gross revenue of two million dollars (\$2,000,000) or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by this corporation, whether or not required by law, shall be made available for inspection by the Attorney General and by the general public within nine (9) months after the close of the fiscal year to which the statements relate. For three (3) years, such statements shall (a) be available at this corporation's principal, regional and district offices (if any) during regular business hours and (b) be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on this corporation's website.

Section 10.9 Fiscal Year. The fiscal year of this corporation shall end on December 31.



Section 10.10 Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit 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, the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

Section 10.11 Electronic Transmission. Subject to any guidelines and procedures that the Board may adopt from time to time, the terms “written” and “in writing” as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means and may include electronic transmissions, such as facsimile or email, provided the requirements set forth in this Section are complied with.

(a) An electronic transmission by this corporation shall be valid only if:

(1) Delivered by (i) email or similar digital communications when directed to the r email address, respectively, for that recipient on record with this corporation; (ii) posting on an electronic message board or network that this corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered on the later of the posting or delivery of the separate notice of it; or (iii) other means of electronic communication;

(2) To a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and

(3) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

(b) Notwithstanding the foregoing, an electronic transmission by this corporation to an individual member who is a natural person, and if such member is an officer or Director of this corporation, only if communicated to the recipient in that person’s capacity as a member, shall be authorized only if the consent to the transmission has been preceded by or includes a clear written statement to the recipient as to (i) any right of the recipient to have the record provided or made available on paper or in nonelectronic form; (ii) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from this corporation; and (iii) the procedures the recipient must use to withdraw consent.

(c) An electronic transmission to this corporation shall be valid only if:

(1) Delivered by (i) facsimile telecommunication or email when directed to the facsimile number or email address, respectively, which this corporation has provided from time to time to members and Directors for sending communications to this corporation, (ii) posting on an electronic message board or network which this corporation has designated for those communications, and

which transmission shall be validly delivered upon the posting, or (iii) other means of electronic communication;

(2) As to which this corporation has placed in effect reasonable measures to verify that the sender is the member or Director purporting to send the transmission; and

(3) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that:

1. I am the duly elected and acting Secretary of Napa Valley Art Association, a California nonprofit public benefit corporation; and

2. The foregoing Restated Bylaws consisting of [26] pages constitute the Bylaws of such corporation as duly adopted by the Board of Directors on \_\_\_\_\_, 2024 and by the members on \_\_\_\_\_, 2024 and have not been amended or modified since the later of such date.

IN WITNESS WHEREOF, I have executed this Certificate as of this \_\_\_\_\_, 2024.

\_\_\_\_\_  
<name>, Secretary