

BYLAWS OF
CORVETTES OF BAKERSFIELD, INC.
(A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION)

JANUARY 2014

ARTICLE I

OFFICES

Section 1: **PRINCIPAL OFFICES.** The Board of Directors shall fix the location of the principal executive offices of the Corporation at any place within the County of Kern, State of California.

Section 2: **OTHER OFFICES.** The Board of Directors may, from time to time, establish branch or subordinate offices at any place or places within the State of California.

ARTICLE II

OBJECTIVES AND PURPOSE

Section 1: **GENERAL PURPOSE.** The purpose of the corporation is to be a social and recreational club operated exclusively for pleasure, recreation and other non-profit purposes and supported solely by membership fees, dues and assessments. **Corvettes of Bakersfield, Inc.** (the "Corporation") and all of its business and activities are to be operated and conducted in the promotion of its charitable objectives and purposes as specified in its Articles of Incorporation (the "Articles"), to wit:

- (a) To encourage interest in the ownership of the Corvette and to stimulate a sense of pride of ownership in Corvette owners;
- (b) To promote and enhance the Corvette's public image;
- (c) To organize and promote Corvette-related activities with other car clubs and to promote increased participation by the Club members;
- (d) To obtain increased benefits and services for Club members and to disseminate information regarding the advantages of ownership;
- (e) To promote and to assist charitable organizations.

In the conduct of its affairs, the Board of Directors and management shall at all times be mindful of these charitable objectives and purposes.

Section 2: **SPECIFIC PURPOSE.** The Corporation is dedicated to promoting private and public interest in the Corvette.

ARTICLE III

MEMBERSHIP IN THE CORPORATION

Section 1: **DEFINITION.** Each regular member, including married and unmarried couples, shall meet the requirements of Section 2 of this Article and shall be entitled to all the rights and privileges of the Corporation. Children of members over the age of 18 shall maintain a membership of their own.

Section 2: **QUALIFICATIONS OF A MEMBER AND/OR APPLICANT.** *Must be a registered owner of a Corvette.* In the case of married or unmarried couples, only one person needs to be a registered owner. A member who releases his/her ownership in a Corvette during the year shall revert to an associated member. (See Article III, Section 7.) Listed below are additional requirements:

- (a) Must have a valid driver's license;
- (b) Must maintain current automobile insurance coverage for public liability and property damage for street use for all automobiles used or present during Club events.
- (c) Must submit a formal membership application along with a current copy of registration;
- (d) Must provide a copy of current proof of insurance; and
- (e) Must provide a signed Acknowledgement of receipt of the Club's Bylaws.

Section 3: **MEMBER AND/OR APPLICANT ADMITTANCE.** Membership application and requirements of Article III, Section 2 (a-e) will become eligible for membership after sixty (60) days from date of application. Applicant will be reviewed by current officers and membership committee. After successful review, applicant will be announced as a new member at the next general meeting.

Section 4: **GUESTS.** Any member may include a guests(s) at any Club event or meeting. The member will assume responsibility for the conduct of his/her guest(s). The guest(s) shall be entitled to all social privileges of the Club event or meeting.

Section 5: **DISMISSAL.** All requests for dismissal action shall be by written request submitted to the Executive Board for review. The designated member shall be notified at least fifteen (15) days by the Executive Board of the request for dismissal and any reasons therefore prior to the effective date of the dismissal. The member then has the right to appear in person before the Executive Board orally or by writing or both at least five (5) days prior to the effective date of any dismissal to answer the complaint. A two-thirds (2/3) vote of the attending Executive Board members is required for dismissal.

A request for dismissal may be based on, but need not be limited to:

- (a) Falsification of information furnished on the application for membership;
- (b) Any act detrimental to the welfare or image of the Club;
- (c) Any action that reflects adversely on the Club or its members;
- (d) Any violation of rules set up for the Club events or meetings; and
- (e) A failure to remit dues and/or membership renewal as prescribed by Article IV herein.

A dismissed member may at any time re-submit an application for membership according to Article III, Section 3.

Section 6: **RESIGNATION**. Any member may resign from membership by submitting such request in writing to the Membership Chairman and relinquishing all Club property. Any member holding an elective office may resign his/her position by submitting such a request in writing to the Club President. The President shall submit resignation in writing to the Executive Board.

Section 7: **ASSOCIATED MEMBERS**.

- (a) Past members in good standing, without Corvettes, or members no longer owning Corvettes.
- (b) Current sponsors and advertisers.

Associated members will pay standard yearly membership dues. Associated members will not have voting rights or hold Executive Board positions. Associated membership must be approved by the current acting Executive Board. All Bylaws and rules apply.

ARTICLE IV

MEMBERSHIP DUES

Membership dues shall be set by the Executive Board each March for the following fiscal year. Yearly dues shall be due and payable on June 30; if not paid by July 31 membership in Club will be considered canceled and not renewed. Any membership that is considered canceled and not renewed because of nonpayment shall not be eligible to renew the membership for one year, or between June 30 and July 31 of the following year.

ARTICLE V

BOARD OF DIRECTORS

Section 1: **DUTIES**. It shall be the duty of the Board of Directors to manage and discharge the business and affairs of the Club and perform such other duties as may be required by the Bylaws.

Section 2: **HOW CONSTITUTED**. The President, Vice President, Secretary, Treasurer, Membership Chairperson, Events Chairperson, Public Relations, Newsletter, Webmaster and Sergeant at Arms shall constitute as the Board of Directors.

Section 3: **MEETINGS**. Regular meetings of the Board of Directors shall be held on such days of each calendar month and at such times as the President shall designate. A notice of regular meetings must be given to all the members. Special meetings of the Board may be called by the President or at the request of any member of the Board of Directors. The Board of Directors shall be given two (2) days notice of each special meeting. The general membership shall be allowed to attend any meeting and participate in the meeting. Any member wanting to present a matter of business to the Board must submit, prior to the meeting, to any Board member the matter of business to be added to the meeting agenda.

Section 4: **VOTING**. Each member of the Board of Directors shall be entitled to cast one vote on any matter or resolution presented; provided, however the President shall vote only in case of a tie. Two proxies will be allowed and only those members constituting the Board of Directors shall be entitled to vote on any matter or resolution presented.

Section 5: **QUORUM**. A majority of the voting power of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. Quorum shall constitute a two-thirds (2/3) vote.

Section 6: **VACANCIES**. Any vacancy in the Board of Directors, except a vacancy in the office of President, shall be filled with majority vote of the remaining Directors and the person so elected to fill such vacancy shall hold office for the unexpired term of their predecessor and until their successor shall be elected.

Section 7: **ORDER OF BUSINESS**. The agenda for the Board of Directors' meetings shall be set at the discretion of the President or the officer presiding over the meeting.

Section 8: **ACTION WITHOUT MEETING**. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all directors shall voluntarily or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such directors. For the purpose of this Section only "all members of the Board" shall not include the director calling for action.

Section 9: **FEES AND COMPENSATION OF DIRECTORS**. Directors and members of committees may receive such compensation, if any, for their services and such reimbursement of expenses as may be fixed or determined by resolution of the Board. No such compensation or reimbursement shall be received without disclosure and approval by the Board. This section shall not be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation for those services.

Section 10: **RIGHTS OF INSPECTION**. The accounting books and records and minutes of proceeding of the Board and communications of the Board shall be open to inspection upon written demand on the Corporation of any director at any reasonable time for a purpose reasonably related to such person's interest as a director. In no event shall the right of inspection of the Corporation's directors be construed to extend to the right to inspect employee personnel records or other confidential records or any of the Corporation's documents relating thereto.

ARTICLE VI

COMMITTEES

Section 1: **POWER TO CREATE COMMITTEES**. The Board may, by resolution adopted by a majority of directors, provided that a quorum is present, create one or more committees, each consisting of two (2) or more directors, to serve at the pleasure of the Board. Members of all committees shall be appointed by the President and confirmed by the Board. The President, by virtue of his/her office, shall be a member of all committees. The President may appoint one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee.

Any such committee shall have all the authority of the Board, except with respect to:

- (a) The filling of vacancies on the Board or on any committee.
- (b) The fixing of compensation of directors for serving on the Board or on any committee.
- (c) The adoption or repeal of these Bylaws or the adoption of new Bylaws.
- (d) The amendment or repeal or any resolution of the Board which, by its express term, is not so amendable or repealable.
- (e) The appointment of committees of the Board or the members thereof.
- (f) The expenditure of corporate funds unless approved by the Board of Directors.
- (g) The approval of self-dealing transactions, as such transactions is defined in section 5233 of the California Nonprofit Corporation Law.

The Board shall have the power to prescribe the manner in which proceedings of any committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless these Bylaws, the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any committee shall be governed by the provisions of Article V applicable to meetings and actions of the Board. Each committee shall keep regular minutes of its proceedings and shall report the same to the Board from time to time, as the Board may require.

Section 2: **STANDING COMMITTEES.** Standing committees shall consist of the Executive Committee, Nominating Committee, and such other committees as the Board may authorize from time to time. Each such committee shall stand discharged from the date of a new committee approved for the same task.

An Executive Committee shall be established as a standing committee, consisting of the President, Vice President and one (1) of the other directors. The Executive Committee shall establish rules for the conduct of its affairs and, as a committee meeting with the requirements of Section 1, shall have the power to transact all regular business of the Corporation during the period between the meetings of the Board, subject to any prior limitations imposed by the Board and the limitations of Article VI, Section 1 and shall exercise such additional power and authority as may be delegated to it from time to time from the Board.

A Nominating Committee shall be established as a standing committee, consisting of the President and three (3) directors. The Nominating Committee shall meet to nominate candidates for the Board and all elective offices prior to the annual meeting of the Board. The Nominating Committee shall nominate candidates to fill vacancies as needed throughout the year and perform such other duties as the Board may prescribe from time to time.

Section 3: **ADVISORY COMMITTEES.** The Board may appoint one or more advisory committees. Advisory committee membership may consist of directors only, directors and non-directors or non-directors only. Advisory committees shall have no legal authority to act for the Corporation, but shall report their findings and recommendations to the Board.

Section 4: **SPECIAL COMMITTEES AND TASK FORCES.** Special committees and task forces may be appointed by the Chairman and confirmed by the Board for such special tasks as circumstances warrant. A task force shall limit its activities to the accomplishment of the task for which it is appointed and shall have no power to act except as is specifically confirmed by action of the Board. Upon completion of the task for which appointed, such task force shall stand discharged.

Section 5: **SUBCOMMITTEES.** Standing committees shall appoint subcommittees to serve in an advisory capacity to the standing committee. Subcommittees shall have no legal authority to act for the standing committee or the Corporation.

Section 6: **QUORUM AND MEETINGS.** A two-thirds (2/3) majority of the members of the committee shall constitute a quorum at any meeting of that committee. Each committee shall meet as often as is necessary to perform its duties.

Section 7: **VACANCIES.** Vacancies on any committee may be filled for the unexpired portion of the term in the same manner as provided in the case of original appointments.

ARTICLE VII

OFFICERS

Section 1: **OFFICERS.** The officers of the Corporation shall be a President, Vice President, Secretary, Treasurer, Events Chairperson, Membership Chairperson, Newsletter Chairperson, Public Relations Chairperson, Webmaster and Sergeant at Arms. The Corporation may also have, at the discretion of the Board, such other officers with such titles and duties as shall be determined by the Board as necessary. Any number of offices may be held by the same person; provided, however, that neither the Secretary nor the Treasurer shall serve concurrently as the President.

Section 2: **ELECTION OF OFFICERS.** The officers of the Corporation shall be elected by any of the general membership and subject to the rights, if any, of the officer under any contract of employment with the Corporation.

Section 3: **REMOVAL AND RESIGNATION OF OFFICERS.** Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed either with or without cause, by the Board at any regular or special meeting of the Board, 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. Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of receipt of that notice or at any later time specified in said notice. Unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 4: **VACANCIES IN OFFICE.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the Board appointment for the remainder of that term.

Section 5: **PRESIDENT**. Subject to such powers, if any, as may be given by these Bylaws or by the Board of Directors, the President shall be the general manager and chief executive officer of the Corporation and shall, subject to the control of the Board, have general supervision, direction and control of the business and the officers of the Corporation. The President shall preside at all meetings of the Board. The President shall have the general powers and duties usually vested in the office of President of a Corporation, and shall have such other powers and duties as may be prescribed by the Board or the Bylaws.

Section 6: **VICE PRESIDENT**. The Vice President shall assume the duties of the President in his/her absence and when called upon by the President. The Vice President may be a co-signor as needed in the absence of the President or Treasurer.

Section 7: **SECRETARY**. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board may direct, a book of minutes of all meetings and actions of directors and committees of directors, with the time and place of holding such meeting, whether regular, general or special, and if special, how authorized, the notice given, the names of those present at director's meetings or committee meetings and the proceedings conducted at such meetings. The Secretary will also submit typed minutes for publication in the newsletter each month. If the Secretary is absent or unable to act, any other officer of the Corporation shall give, or cause to be given, notice of all meetings which are required by these Bylaws to be given. The Secretary shall keep the seal of the Corporation if one is adopted, in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or by these Bylaws.

Section 8: **TREASURER**. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transaction of the Corporation, including amounts of its assets, liabilities, receipts and disbursements. The books of account shall, at all reasonable times, be open to inspection by the directors. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board. The Treasurer shall also disburse the funds of the Corporation as may be ordered by the Board, shall render to the President and directors, whenever they request, an account of all transactions made in the capacity of Treasurer and of the financial condition of the Corporation, and shall have other powers and perform such other duties as may be prescribed by the Board or by these Bylaws.

Section 9: **MEMBERSHIP CHAIRPERSON**. The Membership Chairperson shall be responsible for membership activities which include:

- (1) Renewal of Membership;
- (2) Sending out Renewal Notices;
- (3) Collection of Dues;
- (4) Recruiting New Members;
- (5) Retaining Club Roster;
- (6) Retaining Membership Applications; and
- (7) Maintaining Club Attendance Records.

Section 10: **EVENTS CHAIRPERSON**. The Events Chairperson shall organize all events and activities for the Club. The Chairperson shall see that all Club property and material is returned from each event. The Chairperson shall be responsible for each event and shall procure storage facilities for Club property.

Section 11: **PUBLIC RELATIONS CHAIRPERSON.** The Public Relations Chairperson shall work toward promoting the image of the Corvettes of Bakersfield to the public on items of charity fund raisers, annual Club events, and in any other manner which would promote the agenda as per Article II, Sections 1 and 2 of its “Articles.”

Section 12: **WEBMASTER.** The Webmaster shall maintain “Corvettes of Bakersfield” website by updates as necessary, posting Club and/or fund raisers and any other information as the members and/or Board of Directors may deem necessary to promote the agenda of Corvettes of Bakersfield as described in Article II, Sections 1 and 2 of its “Articles.”

Section 13: **NEWSLETTER CHAIRPERSON.** The Newsletter Chairperson shall gather and publish news and events which promote the agenda and goals of Corvettes of Bakersfield within the given guidelines of the Board of Directors and as described in Article II, Sections 1 and 2 of its “Articles.”

Section 14: **SERGEANT AT ARMS.** The Sergeant at Arms shall provide for Safety and Security and the enforcement of the Bylaws.

ARTICLE VIII

ELECTION OF OFFICERS

Section 1: **TIME OF ELECTIONS.** The elective officers of the Club shall be elected at the regular meeting of the Club held during the month of June. The President, with the advice and consent of the Board of Directors, shall determine which regular meeting held during the month of June shall be devoted to the election of officers and announce the date of said meeting to the general membership at least three (3) months prior to said meeting.

Section 2: **NOMINATION COMMITTEE.** The standing Nominating Committee shall be composed of the incumbent Vice-President and two (2) directors. The committee shall meet prior to the April general meeting of each year, and nominate candidates for all elected offices. Nominations so made shall be announced at the regular meeting held in May of each year.

Section 3: **BALLOTS.** The names of all candidates duly nominated in accordance with the provisions of the foregoing section shall be placed on the ballot in alphabetical order under each office.

Section 4: **VOTING.** Each active member present at the election meeting shall be entitled to one vote for each office to be filled, provided in the case where there are several places to be filled in the office, they shall have as many votes for that office as there are places to be filled. No proxy votes shall be allowed.

Section 5: **ELECTION OF OFFICERS.** The candidates for each elective office receiving a majority of the votes cast shall be declared elected to that office. In the event no candidate for the office receives a majority of the votes cast, the candidate receiving the least number of votes cast shall be removed from the ballot and an immediate re-vote shall be held. This process shall be repeated until a candidate receives a majority of the votes cast.

Section 6: **INSTALLATION.** The officers and directors so elected shall be installed in office in a suitable ceremony and shall assume the duties of their respective positions after the last Board meeting of the year or will assume such duties as of July 1st of each proceeding year if there is no last Board meeting.

ARTICLE IX

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

Section 1: **DEFINITIONS.** For the purpose of this Article:

“Agent” means any person who is or was a director, officer, employee or other agent of the Corporation, or is or was serving at the request of the 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 the corporation or of another enterprise at the request of such predecessor corporation;

“Proceedings” means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative;

“Expenses” includes, without limitation, attorney’s fees and any expense of establishing a right to indemnification for expense actually and reasonably incurred by the agent in connection with successfully defending, on the merits, and action brought against him/her or in successfully petitioning the court in which an action was brought against him/her to order an award of costs and expenses.

Section 2: **INDEMNIFICATION IN THIRD-PARTY ACTIONS.** The Corporation shall 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 the Corporation to procure a judgment in its favor, an action brought under section 5233 of the California Nonprofit Public Benefit 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 the Corporation, against expenses, judgments, fines, settlements and other amount actually and reasonably incurred 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 interest of the 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 interest of the Corporation or that the person had reasonable cause to believe that the person’s conduct was unlawful.

Section 3: **INDEMNIFICATION IN DERIVATIVE ACTIONS.** The Corporation shall 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 the Corporation, or brought under section 5233 of the California Nonprofit Corporation Law or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the 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 the 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:

(a) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person’s duty to the 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 indemnify 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 4: **INDEMNIFICATION AGAINST EXPENSES.** To the extent that an agent of Corporation has been successful on the merits in defense of any proceeding referred to in the preceding sections of this Article 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 5: **REQUIRED DETERMINATIONS.** Except as provided in Section 4 of this Article, any indemnification under this Article shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper under the circumstances because the agent has met the applicable standard of conduct set forth in this Article, by:

(a) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by the 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 the Corporation.

Section 6: **ADVANCE OF EXPENSES.** Expenses incurred in defending any proceeding may be advanced by the 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.

Section 7: **OTHER INDEMNIFICATION.** No provisions made by the Corporation to indemnify its directors or officers for the defense of any proceeding, whether contained in the Articles, these Bylaws, a resolution by the Board, an agreement or otherwise, shall be valid unless consistent with this Article. Nothing contained in this Article shall affect any right to indemnification to which persons other than directors and officers may be entitled by contract or otherwise.

Section 8: **FORMS OF INDEMNIFICATION NOT PERMITTED.** No indemnification or advance shall be made under this Article 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: **INSURANCE.** The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article, provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for the violation of section 5233 of the California Nonprofit Public Benefit Law.

ARTICLE X

RECORDS AND REPORTS

Section 1: **MAINTENANCE AND INSPECTION OF BYLAWS.** The Corporation shall keep at its principal office, the original or a copy of these Bylaws, as amended to date. Said Bylaws, as may be amended, shall be open to inspection by the directors at all reasonable times.

Section 2: **MAINTENANCE AND INSPECTION OF ALL CORPORATE RECORDS.** The accounting books and records and minutes of proceedings of the Board, and any committee or committees, shall be kept at such place or places designated by the Board or, in the absence of such designation, at the principal office of the Corporation. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form.

Section 3: **INSPECTION BY DIRECTORS.** Every Director shall have the absolute right, at any reasonable time, to inspect all books, records, and documents of every kind, as well as to inspect the fiscal properties of the Corporation. This inspection by a director may be in person or by an agent or attorney. The right of inspection includes the right to make copies or extracts of documents.

Section 4: **ANNUAL REPORT.** No annual report shall be required as long as the Corporation does not have in excess of Ten Thousand Dollars (\$10,000.00) in assets at any time during the Corporation's fiscal year. An annual report shall likewise not be required in any year in which the Corporation solicits contributions from five hundred (500) or more persons if:

(a) The Corporation includes, with any written material used to solicit contributions, a written statement that its latest annual report will be mailed upon request and that such request may be sent to the Corporation at a name and address which is set forth in the statement;

(b) The Corporation promptly mails a copy of its annual report to any person that requests a copy thereof; and

(c) The Corporation causes its annual report to be published no later than one hundred twenty (120) days after the close of its fiscal year in a newspaper of general circulation in the county in which its principal office is located.

Such a report shall contain, in appropriate detail, the following:

(a) The assets and liabilities, including the trust funds of the Corporation at the end of the fiscal year;

(b) The principal changes in assets/liabilities, including trust funds during the fiscal year;

- (c) The revenue or receipts of the Corporation, both restricted and unrestricted to particular purposes for the fiscal year;
- (d) The expenses or distributions of the Corporation for both general and restricted purposes during the fiscal year; and
- (e) Any additional information required by the California Nonprofit Public Benefit Law.

This annual report shall be accompanied by any report thereon of independent accountants or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

Section 5: **ANNUAL STATEMENT OF TRANSACTIONS WITH INTERESTED PERSONS AND OF INDEMNIFICATIONS.** The Corporation shall furnish, on an annual basis to its directors a statement of any transaction or indemnification involving more than Five Thousand Dollars (\$5,000.00) if the action involved a transaction with an interested party or if, relating to any indemnification of an agent or agents, represents total expenditures of more than Two Thousand Dollars (\$2,000.00). If the Corporation issues an annual report, this section shall be satisfied by including the required information in the annual report.

Section 6: **PROVIDING OF BYLAWS TO MEMBERS.** The Membership Chairperson shall provide a copy of the Bylaws to all new members. The Membership Chairperson shall also provide a copy of the Bylaws to any member who so request. Any subsequent amendment(s) to the Bylaws shall be included in the Corporation's Newsletter.

ARTICLE XI

GENERAL CORPORATE MATTERS

Section 1: **ENDORSEMENTS.** All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name or payable to the Corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 2: **CORPORATE CONTRACTS AND INSTRUMENTS.** The Board, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and this authority may be general or confined to specific instances; and, unless so authorized or ratified by the Board of Directors or within the agency power of an officer, neither officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose of for any amount.

Section 3: **VOTING OF SHARES.** The Corporation may vote any and all shares held by it in any other corporation by such officer, agent or proxy as the Board of Directors may appoint or in default of any such appointment, by the President of this Corporation, and, in such case, such officers, or any of them, may likewise appoint a proxy to vote said shares.

Section 4: **AUDITOR.** An outside auditor selected by the Board of Directors shall review the financial records of this Corporation biannually.

Section 5: **PROHIBITION AGAINST SNARING EARNINGS.** No Director, officer, employee of, or person connected with this Corporation, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of this Corporation.

Section 6: **INVESTMENTS.** This Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, without being restricted to the class of investments which a director is or may hereafter be permitted by law to make or any similar restrictions; provided, however, that no action shall be taken by or on behalf of this Corporation. Such action is a prohibited transaction and would result in the denial of this Corporation's tax exemption under Section 501(c) of the Internal Revenue code of 1986 and its regulations as they now exist or as they may hereinafter be amended.

Section 7: **EXEMPT ACTIVITIES.** Notwithstanding any other provision of these Bylaws, no director, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of this Corporation not permitted to be taken on by any organization exempt under section 501(c) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Revenue Code Law) or by any organization, contributions which are deductible under section 107(c)(1) of such Code (or the corresponding provisions of any future law).

Section 8: **ACCEPTANCE OF GIFTS.** Subject to the restrictions of the California Nonprofit Public Benefit Law and the Internal Revenue Code of 1986, the directors may accept, on behalf of the Corporation, any contribution, gift, bequest, or devise determined by such directors as appropriate for the continuation of the specific purposes for which this Corporation was formed.

Section 9: **CONSTRUCTION AND DEFINITION.** Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Corporations Code applicable to the general law, or where applicable, dealing specifically with the California Nonprofit Public Benefit Law shall govern the construction of these Bylaws. Without limiting the generalities of these provisions, the singular number includes the plural, the plural number includes the singular, and the term "persons" includes both corporate and natural persons.

Section 10: **AMENDMENTS.** Any other section contained in these Bylaws notwithstanding, the Corporation shall be entitled to amend its Articles only upon complying with sections 7810 et seq. of the California Nonprofit Mutual Benefit Law. Whenever new Articles or new Bylaws, or any amendment thereto, is adopted, it shall be placed in the Corporation's Minute Book with the original Articles or Bylaws. If any Bylaws or amendment(s) thereto is repealed, the fact of repeal with the date of the meeting or action by written consent when said repeal was adopted shall be stated in a writing placed in the Corporate Minute Book with the Bylaws.

ARTICLE XII

REQUIRED FILINGS

Section 1: **STATEMENT OF NAMES AND ADDRESSES OF OFFICERS AND OF AGENT FOR SERVICE OF PROCESS.** The Corporation shall, within ninety (90) days after filing its Articles, and annually thereafter during the applicable filing period in each year, file, on a form prescribed by the Secretary of State, a statement containing: (1) the names and complete business and residence addresses of its Chief Executive Officer, Secretary and Treasurer; (2) the street addresses of its principal executive office; and (3) the complete address of its designated agent for service of process. Whenever any of the information in this section is changed the Corporation shall file a current statement containing all the information required in the immediately preceding paragraph.