

PACIFIC  ART LEAGUE

OF PALO ALTO

(A California Nonprofit Public Benefit Corporation, With Members)

**AMENDED AND RESTATED BYLAWS**



668 Ramona Street, Palo Alto, CA 94301 (650) 321-3891

Bylaws of the Pacific Art League of Palo Alto (formerly the Palo Alto Art Club) founded in 1921. The organization was incorporated in 1939 and received nonprofit status on August 12, 1943. These bylaws have been amended and restated several times. The bylaws as presently stated were adopted as the official bylaws of the Pacific Art League by the Board of Directors at their regular meeting in February 2009. These amended and restated bylaws were passed by a membership decision on August 7, 2015. They have been registered with the Attorney General of the State of California.

Board of Directors of the Pacific Art League as of August, 2015  
Theo Keet, President, Mariko Matsumoto, Treasurer , Joy Chase,  
Secretary, Sondra Murphy, Robin Scholl, William Bruner, Marina  
Druz, Brad Maihack, Mark Nardini, Glen Rojas, Josephine Shuster,  
Robin Welles, Rebecca White

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**BYLAWS  
OF  
THE PACIFIC ART LEAGUE OF PALO ALTO  
(A CALIFORNIA NONPROFIT PUBLIC  
BENEFIT CORPORATION WITH MEMBERS)**

***ARTICLE I NAME***

The name of the corporation shall be Pacific Art League of Palo Alto.

***ARTICLE II OFFICES***

The principal office for the transaction of business of the corporation shall be located at 668 Ramona Street, Palo Alto, California 94301, or at such other place as the Board of Directors may change from time to time. The Board of Directors shall fix and designate a principal office in the State of California. Any change of this location shall be noted by the secretary on these bylaws opposite this section, or this section may be amended to state the new location.

***ARTICLE III OBJECTIVES***

The objectives of the corporation shall be as stated in the Articles of Incorporation. Specifically, the objectives shall include charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law. Our mission (2009) is to provide an environment for advancing the expression, appreciation and employment of the arts.

***ARTICLE IV NONPARTISAN ACTIVITIES***

The corporation has been formed under the California Nonprofit Public Benefit Corporation Law for the purposes described above, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Internal Revenue Code of 1986, as amended (the “**Internal Revenue Code**”), and the corporation shall not participate or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office except as provided in Section 501(h) of the Internal Revenue Code.

The corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above.

***ARTICLE V DEDICATION OF ASSETS***

The properties and assets of the Pacific Art League of Palo Alto are irrevocably dedicated to charitable and educational purposes meeting the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code. No part of the net income or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member or director of the corporation. On liquidation or dissolution of the corporation, all properties and assets and

obligations shall be distributed and paid over to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable and educational purposes meeting the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code, and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

## **ARTICLE VI      MEMBERS' MEETINGS AND VOTING RIGHTS**

### **Section 1    Place of Meetings**

Meetings of Members shall be held at the principal office of the corporation, or at any other place, within or outside the State of California, as shall be specified by the Board of Directors in the notice of the meeting or in a waiver thereof.

### **Section 2    Annual Meetings**

The regular meeting of the Members of the corporation shall be held at the hour of 5 (five) p.m. or later, local time, on the fifteenth (15th) of November in each year or any other day or time fixed by the Board of Directors, unless such date is a legal holiday observed by the corporation, in which case such meeting shall be held at the hour of 5 (five) p.m. or later, local time, on the next succeeding full business day that is not a legal holiday observed by the corporation. At such regular meeting, Members entitled to vote in the election of directors shall elect a Board of Directors who will uphold Article III and may transact such other business as may properly be brought before the meeting.

### **Section 3    Special Meetings**

- a) Special meetings of the Members for any purpose or purposes may be called by any two (2) members of the Board of Directors, the Chair/President of the Board of Directors or five percent (5%) or more of the Members, voting together as a single class and not as separate classes of Members. The record date for determining Members entitled to call a special meeting is the date the first Member signs the notice of that meeting.
- b) Upon written request, specifying the general nature of the business proposed to be transacted, to the Chair/President of the Board of Directors, the Vice-President, or the Secretary of the corporation by any person or persons (other than the Board of Directors) entitled to call a special meeting of the Members, such officer forthwith shall cause notice to be given promptly to the Members entitled to vote, under this Article VI, stating that a meeting will be held at a specified time and place fixed by the Board of Directors; provided, however, that the meeting date shall be at least thirty-five (35) days but no more than ninety (90) days after receipt of such request. If such notice is not given within twenty (20) days after receipt of such request, the person or persons calling the meeting may give notice thereof in the manner provided by law or in these bylaws. Nothing contained in this Section shall be construed as limiting, fixing or affecting the time or date when a meeting of Members called by action of the Board of Directors may be held.
- c) Only business within the purpose or purposes described in the notice of any special meeting of Members may be conducted at such special meeting.

## Section 4 Notice of Meetings

- a) Except as otherwise may be required by law and subject to subsection (b) of Section 4 of these bylaws, written notice of each meeting of Members stating the place, day and hour of the meeting (and in the case of a special meeting, the purpose or purposes for which the meeting is called) shall be given to each Member entitled to vote at such meeting, by the Secretary, Assistant Secretary or other person charged with such duty, not less than ten (10) days nor more than ninety (90) days before the date of the meeting; provided, however, that any notice which is given by mail and is not mailed by first-class, registered or certified mail shall be given not less than twenty (20) days before such meeting. In the case of a regular meeting, such notice shall also state those matters which the Board of Directors, at the time the notice is given, intends to present for action by the Members, including the names of all nominees if directors are to be elected at such meeting.
- b) Notice of any meeting of Members shall be given either personally, by mail, telephone or other written communication (including electronic mail or facsimile). Notice shall be deemed to have been given at the time when delivered personally or sent by telegram or other means of written communication, including transmission by electronic mail or facsimile. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the Member at such Member's address as it appears on the books of the corporation or at the address given by such Member to the corporation for purposes of notice. If no address appears on the corporation's books and no address has been so given, notice shall be deemed to have been given if either (i) notice is sent to that Member by first class mail or facsimile or other written communication to the 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. An affidavit of the Secretary or an Assistant Secretary of the corporation or of the transfer agent or other agent of the company that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.
- c) If any notice addressed to a Member at the address of that Member appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the Member at that address, undeliverable all future notices shall be deemed to have been duly given without further mailing if these shall be available to the Member on written demand by the Member at the principal office of the corporation for a period of one (1) year from the date of the giving of the notice. Notwithstanding the foregoing, notice shall not be given by electronic transmission by the corporation if (1) the corporation is unable to deliver two (2) consecutive notices to the Member by that means, or (2) the inability to so deliver the notices to the Member becomes known to the Secretary or any Assistant Secretary, the transfer agent or other person responsible for the giving of the notice.
- d) 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) A proposal to approve a transaction within the provisions of California Corporations Code Section 5222 (relating to removal of directors without cause);

- (2) A proposal to approve a transaction within the provisions of California Corporations Code Section 5224 (relating to filling vacancies on the Board of Directors);
- (3) A proposal to approve a transaction within the provisions of California Corporations Code Section 902 (relating to amending the Articles of Incorporation of the corporation); or
- (4) A proposal to approve a transaction within the provisions of California Corporations Code Section 6610 (relating to winding up and dissolution).

## **Section 5 Quorum and Transaction of Business**

- (a) At any meeting of the Members, holders of at least thirty (30) of the votes entitled to vote, represented in person or by ballot submitted prior to the meeting shall constitute a quorum; provided, however, that if at any time such quorum of thirty (30) Members represented in person or by ballot submitted prior to the meeting shall be equal to less than one-third ( $1/3^{\text{rd}}$ ) of the voting power of the corporation, then the only matters that may be voted upon at any regular meeting actually attended, in person or by ballot submitted prior to the meeting, by less than one-third ( $1/3$ ) of the voting powers of the corporation are those matters which have been set forth in the notice of such meeting as described in Section 4 above.
- (b) 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 the act of the Members, unless the vote of a greater number is required by law or by the Articles of incorporation, and except as provided in subsection (c) below.
- (c) The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum.
- (d) In the absence of a quorum, no business other than adjournment may be transacted, except as described in subsection (c) above.

## **Section 6 Adjournment and Notice of Adjourned Meetings**

Any meeting of the Members, annual or special, may be adjourned from time to time, whether or not a quorum is present, by the affirmative vote of a majority of votes represented at such meeting either in person or by ballot submitted prior to the meeting. Notice of the time and place of holding an adjourned meeting need not be given if the time and place thereof (or the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which the Members may participate) are announced at the meeting at which the adjournment is taken. If the adjournment is for more than 45 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

## **Section 7 Waiver of Notice**

Whenever notice is required to be given under any provision of the California Corporation Code, the Articles of Incorporation or these bylaws, a written waiver, signed by the Member entitled to notice, or a waiver by electronic transmission by the Member entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except when the Member attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Members need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Articles of Incorporation or these bylaws. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Voting at any meeting of Members need not be by ballot; provided, however, that election of directors must be by ballot if balloting is demanded by a Member at the meeting and before the voting begins. Except as otherwise provided in the Articles of Incorporation or by law, each Member shall be entitled to one vote on each matter submitted to a vote of the Members. Members shall not be permitted to cumulate votes with respect to any matter, including election of directors.

## **Section 8 Members Entitled to Notice of Meetings and to Vote or Consent**

- (a) The Board of Directors may fix, in advance, a date as the record date for the purpose of determining the Members entitled to notice of any meeting of Members. Such record date shall be not more than ninety (90) and not less than ten (10) days before the date of the meeting. If no such record date is fixed, Members as of the close of business on the business day preceding the day on which notice is given or, if notice is waived, as of the close of business on the business day preceding the day on which the meeting is held shall be entitled to notice of the meeting.
- (b) The Board of Directors may fix, in advance, a date as the record date for the purpose of determining the Members entitled to vote at a meeting of Members. Such record date shall be not more than sixty (60) days before the date of the meeting. If no such record date is fixed, Members as of the day of the meeting who are otherwise eligible to vote shall be entitled to vote at the meeting or, in the case of an adjourned meeting, Members as of the day of the adjourned meeting who are otherwise eligible to vote shall be entitled to vote at the adjourned meeting.
- (c) The Board of Directors may fix, in advance, a date as the record date for the purpose of determining the Members entitled to exercise any rights in respect of any lawful action not described in subsections (a) or (b) above. Such record date shall be not more than fifteen (15) days prior to such action. If no such record date is fixed, Members as of the close of business on the day on which the Board of Directors adopts the resolution relating to such action, or the sixtieth (60<sup>th</sup>) day prior to the date of such action, whichever is later, shall be entitled to exercise such rights.

- (d) A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting.

## **Section 9 Action without Meeting—Written Ballot**

- (a) Any action (including election of directors) which may be taken at a regular or special meeting of the Members may be taken without a meeting as provided in this Section if the corporation distributes (in a manner consistent with Article VI, Section 4 of these bylaws) to every Member entitled to vote on such action a written ballot which complies with subsection (c) below.
- (b) Action by written ballot pursuant to this Section shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum that would be required to be represented at a meeting authorizing the action, and the number of votes in favor of the action equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the total number of votes cast by ballot.
- (c) Every written ballot distributed to members pursuant to this Section shall set forth the proposed action, provide an opportunity for the Member to specify approval or disapproval of any proposal and provide a reasonable time within which to return the ballot to the corporation. All solicitations of written ballots shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of directors, the percentage of votes in favor of the proposal necessary to approve the proposal as provided in subsection (b) above.
- (d) No written ballot that has been received by the corporation may be withdrawn, revoked or superseded and any attempted withdrawal, revocation or supersession of any such written ballot, whether made before or after receipt of such ballot by the corporation, shall be ineffective.

## **Section 10 Inspectors of Election**

Before any meeting of the Members, the Board of Directors may appoint any persons, other than nominees for office, to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the Chair/President of the meeting may, and on the request of any Member or a Member's written ballot shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at a meeting on the request of one or more Members or written ballots, the majority of Members represented in person or by ballot submitted prior to the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the Chair/President of the meeting may, and upon the request of any Member or a Member's written ballot shall, appoint a person to fill that vacancy. (The Secretary of the Board shall keep all records related to an election.)

The inspectors shall:

- (a) Determine the number of memberships outstanding and the voting power of each, the number of memberships represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of written ballots;
- (b) Receive votes, ballots, or consents;
- (c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;
- (d) Count and tabulate all votes or consents;
- (e) Determine when the polls shall close;
- (f) Determine the result; and
- (g) Do any other acts that may be proper to conduct the election or vote with fairness to all Members.

## **ARTICLE VII**                      **BOARD OF DIRECTORS**

### **Section 11 Powers**

Subject to the provisions of law or any limitations in the Articles of Incorporation or these bylaws as to action required to be approved by the Members, the activities and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors. The Board of Directors may delegate the management of the activities of the corporation to any person or persons, Management Company or committee, however composed, provided that the activities and affairs of the corporation shall be managed, and all corporate powers shall be exercised, under the ultimate direction of the Board of Directors.

### **Section 12 Number of Directors**

The authorized number of directors of the corporation shall be not less than a minimum of seven (7) or more than a maximum of fifteen (15). The exact number of directors shall be set within these limits from time to time by resolution of the Board Directors.

Any amendment of these bylaws changing the maximum or minimum number of directors may be adopted by the affirmative vote of a majority of the Members represented and voting at a duly held meeting at which a quorum is present.

### **Section 13 Nomination and Election of Directors, Term**

- (a) The directors shall be elected the regular meetings of the Members. Each director, including a director elected or appointed to fill a vacancy, shall hold office until the expiration of the term for which such director is elected and until a successor has been duly elected and qualified, or until such director's earlier death, resignation or removal.

- (b) Subject to the provisions of law and these bylaws, the procedures followed in nominating and electing directors shall be established by the Board of Directors. Such procedures shall be reasonable in light of the nature, size and operations of the corporation and shall include:
  - (1) a reasonable means of nominating persons for election as directors;
  - (2) a reasonable opportunity for a nominee to communicate to the Members the nominee's qualifications and the reason for the nominee's candidacy;
  - (3) a reasonable opportunity for all nominees to solicit votes; and
  - (4) a reasonable opportunity for all Members to choose among the nominees.

## **Section 14 Resignations**

Any director of the corporation may resign effective upon giving written notice to the Chair/President of the Board, the President, the Secretary or the Board of Directors of the corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation specifies effectiveness at a future time, a successor may be elected pursuant to Section 18 of these bylaws to take office on the date the resignation becomes effective. Notwithstanding the foregoing, except upon notice to the Attorney General of the State of California, no director may resign if such resignation would leave the corporation without a duly elected director or directors in charge of its affairs.

## **Section 15 Removal**

The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or who has been found by a final order or judgment of any court to have breached any duty under Article 3 (commencing with Section 5230) of Part 2 of Division 2 of the California Corporations Code. A two-thirds vote of the directors then in office may remove any director at any time upon three (3) or more violations of any of the corporation's policies, including its Board Attendance Policy.

The entire Board of Directors or any individual director may be removed from office without cause:

- (a) if the corporation has fewer than fifty (50) Members, by the affirmative vote of a majority of the Members entitled to vote for such removal; or
- (b) if the corporation has fifty (50) or more Members, by the affirmative vote of a majority of the Members represented and voting at a duly held meeting at which a quorum is present.

## **Section 16 Vacancies**

A vacancy or vacancies on the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any director, or upon increase in the authorized number of directors or if the Members fail to elect the full authorized number of directors at a regular meeting of Members or if, for whatever reason, there are fewer directors on the Board of Directors than the full number authorized.

Such vacancy or vacancies may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director. The Members may elect a director at any time to fill any vacancy not filled by the directors.

## **Section 17 Payment of Dues**

It shall be required that each director be an Individual Member and pay dues as provided in these bylaws. (Or, subsequent policy changes approved by the Board of Directors)

## **Section 18 Term of Office**

Except as hereinafter provided, each director shall hold office for a term of three (3) years beginning and ending at annual meetings. The Board of Directors may by resolution of the Board classify the Board of Directors into various groups having staggered terms. No member shall serve for more than six consecutive years. After serving two (2) consecutive three year terms, there must be a break of two (2) years before being eligible for reelection to the board. For purposes of term limits, a term of service ends when a member's elected term is complete or at the time a member resigns or leaves the board for any reason. No member can be appointed to the board by the board for more than one year and/or part of that year, until the end of the calendar year.

## **Section 19 Fees and Compensation**

Directors shall not receive any compensation for their services, but by resolution of the Board of Directors, expenses of attendance, if any, may be allowed for attendance at regular or special meetings of the Board of Directors; but nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

## **Section 20 Regular Meetings**

Immediately after each regular meeting of *Members*, and at such place fixed by the Board of Directors, or if no such place is fixed at the place of the regular meeting of Members, the Board of Directors shall hold a regular meeting for the purposes of organization, appointment of officers and transaction of other business. Other regular meetings of the Board of Directors shall be held at such times, places and dates as fixed in these bylaws or by the Board of Directors; provided, however, that if the date for such a meeting falls on a legal holiday, then the meeting shall be held at the same time on the next succeeding full business day. Regular meetings of the Board of Directors held pursuant to this Section may be held without notice.

## **Section 21 Participation by Telephone or Electronic Means**

Directors may participate in a Board of Directors meeting through use of conference telephone electronic video screen communication or electronic transmission by and to the corporation, so long as all directors participating in such meeting can hear one another. Such participation constitutes presence in person at such meeting.

## **Section 22 Special Meetings**

Special meetings of the Board of Directors for any purpose may be called by the Chair/President of the Board or any vice president or the Secretary of the corporation or any two (2) directors.

## **Section 23 Notice of Meetings**

Notice of the date, time and place of all meetings of the Board of Directors, other than regular meetings held pursuant to Section 24 of these bylaws, shall be delivered personally, orally or in writing, or by telephone, telegraph, electronic mail or facsimile, to each director, at least forty-eight (48) hours before the meeting, or sent in writing to each director by first-class mail, charges prepaid, at least four (4) days before the meeting. Such notice may be given by the Secretary of the corporation or by the person or persons who called the meeting. Such notice shall set forth the proposed action(s) to be voted upon at such meeting and directors shall have 24 hours from receipt of such notice to comment on and recommend modifications to such proposals. However, directors will ultimately still get to comment and veto/approve such proposals at the actual board meeting or vote by written consent. This allows them to have 24 hours to provide a “counter-proposal” for consideration at the board meeting. Notice of any meeting of the Board of Directors need not be given to any director who signs a waiver of notice of such meeting, or a consent to holding the meeting or an approval of the minutes thereof, either before or after the meeting, or who attends the meeting without protesting prior thereto or at its commencement such director's lack of notice. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

## **Section 24 Place of Meetings**

Meetings of the Board of Directors may be held at any place within California or, if not stated in the notice or there is no notice, designated in the bylaws or by resolution of the Board of Directors.

## **Section 25 Action by Written Consent without a Meeting**

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all directors individually or collectively consent in writing to such action, given twenty-four (24) hours. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

## **Section 26 Quorum and Transaction of Business**

A majority of the authorized number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors, unless the law, the Articles of Incorporation or these bylaws specifically require a greater number. A meeting at which a quorum is initially present may continue to transact business, notwithstanding withdrawal of directors, if any action taken is approved by at least a majority of the number of directors constituting a quorum or such meeting. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present may adjourn the meeting, as provided in Section 27 of these bylaws.

## **Section 27 Adjournment**

Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by the affirmative vote of a majority of the directors present. If the meeting is adjourned for more than twenty-four (24) hours, notice of such 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.

## **Section 28 Organization**

The Chair/President of the Board shall preside at every meeting of the Board of Directors, if present. If there is no Chair/President of the Board or if the Chair/President is not present, a Chair/President chosen by a majority of the directors present shall act as Chair/President. The Secretary of the corporation or, in the absence of the Secretary, any person appointed by the Chair/President shall act as secretary of the meeting.

## **Section 29 Interested Persons**

At no time shall more than forty-nine percent (49%) of the directors of the corporation be either:

- (a) persons currently being compensated by the 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 as a director; or
- (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any person described in subsection (a) above.

## **ARTICLE VIII Committees**

### **Section 30 Executive Committee**

The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided a quorum is present, create an Executive Committee each consisting of three (3) or more directors, to serve at the pleasure of the Board of Directors. Appointments to the Executive Committee shall be by a majority vote of the directors then in office. The Board of Directors may appoint one or more directors as alternate members of the Executive Committee, to replace any absent member at any meeting of such committee. The Executive Committee shall have authority to act in the manner and to the extent provided in the resolution of the Board of Directors, and may have all the authority of the Board of Directors in the day-to-day management of the activities and affairs of the corporation, except with respect to:

- (a) the approval of any action for which approval of the Members or approval of a majority of all Members also is required by the California Corporations Code;
- (b) the filling of vacancies on the Board of Directors or any committee which has the authority of the Board of Directors;
- (d) the amendment or repeal of these bylaws or the adoption of new bylaws;
- (e) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

- (f) the appointment of other committees of the Board of Directors or the members thereof;
- (g) the expenditure of funds of the corporation to support a nominee for director after there are more persons nominated than can be elected; or
- (h) the approval of any transaction within the provisions of California Corporations Code Section 5233, except as provided in California Corporations Code Section 5233(d)(3).

The foregoing provisions of this Section shall not apply to any committee which is not authorized to exercise the authority of the Board of Directors.

The Executive Committee shall automatically assume the duties and responsibilities of the Executive Director in the event of any vacancy in such position until such time as a new Executive Director is duly appointed by the Board of Directors. If specifically authorized by the Board of Directors' enabling resolution, the Executive Committee shall have and may exercise all of the authority of the Board of Directors for the business and affairs of the corporation during the interim period between Board meetings. By resolution adopted by a majority of the number of directors then in office, the Board of Directors may at any time modify or revoke any or all of the authority so delegated and increase or decrease (but not below three) the number of members serving on the Executive Committee. The Executive Committee shall establish rules and regulations for its meetings and meet at such times as it deems necessary, provided that a reasonable notice of all meetings of the Executive Committee shall be valid unless a specific notice period is approved by the vote or written consent of a majority of its members. All actions and decisions of the Executive Committee must be approved by a majority of the members of the Executive Committee.

The Executive Committee may from time to time provide by resolution for regular meetings at specified times and places. If the date of such a meeting falls on a legal holiday, then the meeting shall be held at the same time on the next succeeding full business day. No notice of such a meeting need be given. Such regular meetings need not be held if the Executive Committee shall so determine at any time before or after the time when such meeting would otherwise have taken place. Special meetings may be called at any time in the same manner and by the same persons as stated in Sections 22 and 23 of these bylaws for meetings of the Board of Directors. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. The designation of a committee of the Board of Directors and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or him by law. The provisions of Sections 21, 24, 25, 26, 27, and 28 of these bylaws shall apply to committees, committee members and committee meetings as if the words "committee" and "committee member" were substituted for the word "Board of Directors", and "director", respectively, throughout such sections.

## **Section 31 Standing Committees**

The corporation shall have the following standing committees, each of which shall be chaired by a director or designated officer of the corporation:

## **Section 32 Operations Committee**

The Operations Committee shall be chaired by the Chair/President of the Board of Directors and shall consist of all of the directors then in office, all Vice Presidents, the Secretary, the Chief Financial

Officer/Treasurer, and such number of Operations Directors as the Board shall approve. The duties of the Operations Committee shall be to implement such policies, programs and activities as the Board and/or Executive Committee shall direct. Persons appointed as Operations Directors need not be directors or officers of the corporation. The Operations Committee shall meet monthly at such times and places as the Chair/President shall direct. The Operations Committee may delegate its duties and responsibilities to one or more working subcommittees, which need not be directors or officers of the corporation but must operate under the direct supervision of the Operations Committee.

### **Section 33 Nominating Committee**

The Nominating Committee shall consist of five (5) members and shall be established for the purpose of recommending to the Members a slate of Board candidates for election at the next annual meeting of Members. Nominating Committee members shall be appointed by the President as follows: (i) one (1) from among the corporation's then current art instruction faculty; (ii) two (2) from the then current members of the corporation's Operations Committee; and (iii) two (2) from the corporation's Members at large. The Chair/President of the Board may, but need not, appoint himself or herself as one of the representatives from the Operations Committee. No later than October 1 of each year, the Nominating Committee shall meet to select a Chair and prepare a slate of candidates, all of whose consent to serve if elected shall have been obtained prior to the holding of the annual meeting of Members for the election of directors. The Nominating Committee's recommendations shall be presented at the annual meeting of Members or before. Nothing contained herein shall preclude nominations for director from a Member; provided that no candidate shall be elected as a director unless he or she has previously assented thereto in writing.

### **Section 34 Terms of Office**

Each member of a committee shall continue as such until the next annual meeting of the Board of Directors and until his or her successor is duly appointed, unless the committee shall be sooner terminated, or unless such Member be removed from such committee, or unless such Member shall cease to qualify as a member thereof.

### **Section 35 Quorum**

A majority of the whole committee shall constitute a quorum of such committee and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of such committee.

### **Section 36 Rules**

Each committee may adopt rules for its own government and procedure not inconsistent with the law, these bylaws or with the rules and regulations adopted by the Board of Directors.

## ARTICLE IX OFFICERS

### **Section 37 Officers**

The corporation shall have a Chair/President of the Board, a Secretary, a Chief Financial Officer/Treasurer and such other officers with such titles and duties as the Board of Directors may determine. Any two (2) or more offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer/Treasurer may serve concurrently as the Chair/President of the Board.

### **Section 38 Appointment**

All officers shall be chosen and appointed by the Board of Directors; provided, however, that the Board of Directors may empower the chief executive officer of the corporation to appoint such officers, other than Chair/President of the Board, Secretary or Chief Financial Officer/Treasurer, as the activities of the corporation may require provided, further, that no member of the Board of Directors may be appointed to serve as the Executive Director. All officers shall serve at the pleasure of the Board of Directors, subject to the rights, if any, of an officer under a contract of employment.

### **Section 39 Inability to Act**

In the case of absence or inability to act of any officer of the corporation or of any person authorized by these bylaws to act in such officer's place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer, or any director or other person whom it may select, for such period of time as the Board of Directors deems necessary.

### **Section 40 Resignations**

Any officer may resign at any time upon written notice to the corporation, without prejudice to the rights, if any, of the corporation under any contract to which such officer is a party. Such resignation shall be effective upon its receipt by the Chair/President of the Board, the Secretary or the Board of Directors, unless a different time is specified in the notice for effectiveness of such resignation. The acceptance of any such resignation shall not be necessary to make it effective unless otherwise specified in such notice.

### **Section 41 Removal**

Any officer, may be removed from office at any time, with or without cause, but subject to the right, if any, of such officer under any contract of employment, by the Board of Directors or by any committee to whom such power of removal has been duly delegated, or, with regard to any officer who has been appointed by the chief executive officer pursuant to Section 38 of these bylaws, by the chief executive officer or any other officer upon whom such power of removal may be conferred by the Board of Directors.

### **Section 42 Vacancies**

A vacancy occurring in any office for any reason may be filled by the Board of Directors in the manner prescribed by this Article of the bylaws for initial appointment to such office.

## **Section 43 Chair/President of the Board**

The Chair/President shall be the general manager and chief executive officer of the corporation and shall have general supervision and control over the activities and affairs of the corporation, subject to the control of the Board of Directors. The Chair/President may sign and execute, in the name of the corporation, any instrument authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the corporation. The Chair/President shall have all the general powers and duties of management usually vested in the president of a corporation, and exercise and perform duties as may be assigned from time to time by the Board of Directors or these bylaws. The Chair/President shall have discretion to prescribe the duties of other officers and employees of the corporation in a manner not inconsistent with the provisions of these bylaws and the directions of the Board of Directors.

## **Section 44 Vice-Chairs/Vice-Presidents**

In the absence or disability of the President, in the event of a vacancy in the office of President, or in the event such officer refuses to act, the Vice-President shall perform all the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions on, the President. If at any such time the corporation has more than one vice-president, the duties and powers of the President shall pass to each vice-president in order of such vice-president's rank as fixed by the Board of Directors or, if the vice-presidents are not so ranked, to the vice-president designated by the Board of Directors. The vice-presidents shall have such other powers and perform such other duties as may be prescribed for them from time to time by the Board of Directors or pursuant to Sections 37 and 38 of these bylaws or otherwise pursuant to these bylaws.

## **Section 45 Secretary**

The Secretary shall:

- (a) Keep, or cause to be kept, minutes of all meetings of the corporation's *Members*, Board of Directors and committees of the Board of Directors, if any. Such minutes shall be kept in written form.
- (b) Keep, or cause to be kept, at the principal office of the corporation, a record of the corporation's *Members*, showing the names and addresses of all *Members*, and the class of membership held by each. Such records shall be kept in written form or any other form capable of being converted into written form.
- (c) Keep, or cause to be kept, at the principal office of the corporation, or if the principal office is not in California, at its principal office in California, an original or copy of the Articles of Incorporation and these bylaws, as amended.
- (d) Give, or cause to be given, notice of all meetings of *Members*, directors and committees of the Board of Directors, as required by law or by these bylaws.
- (e) Keep the seal of the corporation, if any, in safe custody.

- (f) Exercise such powers and perform such duties as are usually vested in the office of secretary of a corporation, and exercise such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors or these bylaws.

If any assistant secretaries are appointed, the assistant secretary, or one of the assistant secretaries in the order of their rank as fixed by the Board of Directors or, if they are not so ranked, the assistant secretary designated by the Board of Directors, in the absence or disability of the Secretary or in the event of such Officer's refusal to act or if a vacancy exists in the office of Secretary, shall perform the duties and exercise the powers of the Secretary and discharge such duties as may be assigned from time to time pursuant to these bylaws or by the Board of Directors.

## **Section 46 Chief Financial Officer/*Treasurer***

The Chief Financial Officer/*Treasurer* shall:

- (a) Be responsible for all functions and duties of the treasurer of the corporation.
- (b) Keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account for the corporation.
- (c) Receive or be responsible for receipt of all monies due and payable to the corporation from any source whatsoever; have charge and custody of, and be responsible for, all monies and other valuables of the corporation and be responsible for deposit of all such monies in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors or a duly appointed and authorized committee of the Board of Directors.
- (d) Disburse or be responsible for the disbursement of the funds of the corporation as may be ordered by the Board of Directors or a duly appointed and authorized committee of the Board of Directors;
- (e) Render to the chief executive officer and the Board of Directors a statement of the financial condition of the corporation if called upon to do so.
- (f) Exercise such powers and perform such duties as are usually vested in the office of chief financial officer/*Treasurer* of a corporation, and exercise such other powers and perform such other duties as may be prescribed by the Board of Directors or these bylaws.

If any assistant financial officer is appointed, the assistant financial officer, or one of the assistant financial officers, if there are more than one, in the order of their rank as fixed by the Board of Directors or, if they are not so ranked, the assistant financial officer designated by the Board of Directors, shall, in the absence or disability of the Chief Financial Officer/*Treasurer* or in the event of such officer's refusal to act, perform the duties and exercise the powers of the Chief Financial Officer/*Treasurer*, and shall have such powers and discharge such duties as may be assigned from time to time pursuant to these bylaws or by the Board of Directors.

## **Section 47 Executive Director**

The Executive Director shall perform such duties and enjoy such authority as shall be specifically delegated or authorized by the Board or, Executive Committee, as the case may be. The Executive Director shall not be a member of the Board of Directors.

## **Section 48 Compensation**

All members of the Board of Directors shall serve without compensation.

# **ARTICLE X CONTRACTS, LOANS, BANK ACCOUNTS, CHECKS & DRAFTS**

## **Section 49 Execution of Contracts and Other Instruments**

Except as these bylaws may otherwise provide, the Board of Directors or its duly appointed and authorized committee may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authorization may be general or confined to specific instances. Except as so authorized or otherwise expressly provided in these bylaws, no 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 or in any amount.

## **Section 50 Loans**

No loans shall be contracted on behalf of the corporation and no negotiable paper shall be issued in its name, unless and except as authorized by the Board of Directors or its duly appointed and authorized committee. When so authorized by the Board of Directors or such committee, any officer or agent of the corporation may affect loans and advances at any time for the corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other evidences of indebtedness of the corporation and, when authorized as aforesaid, may mortgage, pledge, hypothecate or transfer any and all stocks, securities and other property, real or personal, at any time held by the corporation, and to that end endorse, assign and deliver the same as security for the payment of any and all loans, advances, indebtedness and liabilities of the corporation. Such authorization may be general or confined to specific instances.

## **Section 51 Bank Accounts**

The Board of Directors or its duly appointed and authorized committee from time to time; may authorize the opening and keeping of general and/or special bank accounts with such banks, trust companies or other depositaries as may be selected by the Board of Directors, its duly appointed and authorized committee or by any officer or officers, agent or agents, of the corporation to whom such power may be delegated from time to time by the Board of Directors. The Board of Directors or its duly appointed and authorized committee may make such rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these bylaws, as are deemed advisable.

## Section 52 Checks, Drafts, Etc

All checks, drafts or other orders for the payment of money, notes, acceptances or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents, of the corporation, and in such manner, as shall be determined from time to time by resolution of the Board of Directors or its duly appointed and authorized committee. Endorsements for deposit to the credit of the corporation in any of its duly authorized depositories may be made, without counter-signature, by the President or any vice president or the Chief Financial Officer/Treasurer or any assistant financial officer or by any other officer or agent of the corporation to whom the Board of Directors or its duly appointed and authorized committee, by resolution, shall have delegated such power or by hand-stamped impression in the name of the corporation.

## ARTICLE XI MEMBERSHIPS

### Section 53 Admission of Members

Applicants shall be admitted to membership upon making application therefore on such form as the Board of Directors shall prescribe from time to time and payment of the applicable annual dues for such membership. Any natural person interested in the object and purpose of the corporation shall be eligible for membership. Membership shall be open to all natural persons. Thus, the corporation does not restrict membership, services or benefits on any basis, including, but not limited to race, creed, religion, national origin, ancestry, sex, marital status, disability, political affiliation, age, or sexual orientation. Membership shall be automatic upon presentation of a completed application form and payment of applicable dues. The Board of Directors may (i) issue all or any part of the memberships of the corporation as partly paid and subject to call for the remainder of the consideration to be paid therefore, and (ii) levy dues, assessments or fees upon the Members pursuant to Section 59 of these bylaws.

### Section 54 Multiple or Fractional Memberships

No person may hold more than one membership, and no fractional memberships may be held.

### Section 55 Classes of Membership

- (a) Generally. The corporation shall have classes of members, as determined by the Board of Directors. These classes shall be changed by order of the Board of Directors. (See attached updates Appendix A which shall be kept updated)
- (b) It shall have seven (7) classes of members within the meaning of Section 5056 of the California Nonprofit Corporation Law (each, a “**Member**”), and such Members shall be known “**Individual Members**”, “**Family Members**”, “**Student Members**”, “**Senior Members**”, “**Instructor Members**”, “**Honorary Members**” and “**Lifetime Members**”. Except as otherwise set forth herein, all Members shall have the same rights, privileges, preferences, restrictions and conditions. All classes of Members will have a vote.
- (b) Classes of Members. The corporation shall have the following classes of membership: Active, Family, Student, Senior and Honorary. The rights and restrictions of such membership classes are as stated herein.

- (1) Individual Members shall be all dues paying Members admitted pursuant to Section 52 above who are not Family Members, Student Members, Senior Members or Honorary Members or Instructor Members, and shall enjoy all privileges of membership.
  - (2) Family Members shall be all dues paying Members admitted pursuant to Section 52 above who (x) live at the same household address, (y) are related by blood, marriage or domestic partnership, and (z) elect to be treated as “Family Members”. Family Members shall only be entitled to one (1) vote on all matters as to which the Members enjoys voting power but shall otherwise enjoy all privileges of membership.
  - (3) Student Members shall be all dues paying Members admitted pursuant to Section 52 above who are twenty-one (21) years of age or under who (x) can provide a valid student identification, and (y) elect to be treated as “Student Members”. Student Members shall be ineligible to serve as directors of the corporation but shall otherwise enjoy all privileges of membership.
  - (4) Senior Members shall be all dues paying Members admitted pursuant to Section 52 above who are sixty-five (65) years of age or older. Senior Members shall enjoy all privileges of membership.
  - (5) Honorary Members shall be those Members who, by unanimous vote of the Board of Directors, are granted membership in the corporation without paying dues by virtue of such person’s exceptional artistic ability or such person’s distinguished service to the corporation. No more than three (3) Honorary Members may be confirmed in any calendar year and the total number, of Honorary Members shall never exceed three percent (3%) of the total membership as determined as of the close of the prior calendar year. Honorary Members shall enjoy all privileges of membership.
  - (6) Instructor Members shall be those Members who serve as instructors for the classes and workshops offered by the corporation. Instructor Members shall enjoy all privileges of membership.
  - (7) Lifetime Members shall be all dues paying Members admitted pursuant to Section 55 above who are pay the lifetime membership fee. Life Members shall enjoy all privileges of membership.
- (c) Except as otherwise set forth herein, in the Articles of Incorporation of the corporation or by law, each Member shall have one (1) vote in all matters entitled to be voted upon by the Members.

## **Section 56 Nontransferability of Memberships**

Except as provided by law or Section 11 of these bylaws, no Member may transfer for value or otherwise a membership interest or any right arising therefrom, and all rights of membership shall cease upon the death, resignation or expulsion of a Member.

## Section 57 Resignation of Members

A Member may resign from membership in the corporation at any time by delivery of a written notice to the Secretary of the corporation. Except as otherwise provided in Section 59 of these bylaws, such resignation shall not relieve the resigning Member from any obligation for charges incurred, services or benefits actually rendered, dues, assessments or fees, or arising from contract or otherwise, and no pro rata refund of any membership fees, dues or assessments shall be made for the balance of the calendar year in which the resignation is effective.

## Section 58 Expulsion, Suspension or Termination of Members

Except as set forth in Section 58 of these bylaws or otherwise herein, no Member may be expelled or suspended, and no membership interest or any right arising therefrom may be terminated or suspended, with notice of such to Member.

(a) **Grounds.** The following events shall constitute grounds for termination of membership:

(1) Upon a Member's death, provided that such termination shall not relieve the Member's estate of the obligation to pay any dues or other charges theretofore accrued and unpaid.

(2) Upon a good faith determination by a three fourths (3/4) vote of the Board of Directors that the Member has engaged in conduct materially and seriously prejudicial to the interests or purposes of the corporation.

(3) Upon a Member's failure to renew his or her membership by paying any required fees, dues or assessments on or before their due date. Such termination shall be effective ninety (90) days after a written notification of delinquency is given personally or mailed to such Member at his or her address as it appears on the books of the corporation. A Member may avoid such termination by paying the amount of delinquent dues within a ninety (90)-day period following the Member's receipt of the written notification of delinquency.

(b) **Procedure for Expulsion.** If grounds appear to exist for terminating a Member under Section 58 of these bylaws, the following procedure shall be implemented:

(1) A notice shall be sent by first-class or registered mail to the last address of the Member as shown on the corporation's records, setting forth the proposed expulsion and the reasons therefore.

(2) The Member being expelled shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not less than five (5) days before the effective date of the proposed expulsion. The hearing will be held, or the written statement considered, by the Board of Directors in accordance with the quorum and voting rules set forth in these bylaws applicable to the meetings of the Board of Directors to determine whether expulsion should occur. The notice to the Member of his or her proposed expulsion shall state the date, time and place of the hearing on his or her proposed expulsion.

(3) Following the hearing or submission of the written statement, the Board of Directors shall decide whether or not the Member should in fact be expelled,

suspended, or sanctioned in some other way. A person whose membership is suspended shall not be a Member during the period of suspension. Any such decision shall require the affirmative vote of three-fourths (3/4) of the Board of Directors. The decision of the Board shall be final.

- (4) Any action challenging an expulsion, suspension or termination of membership, including a claim alleging defective notice, must be commenced within one (1) year after the date of the expulsion, suspension or termination.
- (5) Any person expelled from the corporation shall receive a refund of dues already paid; the refund shall be pro-rated to return only the unaccrued balance remaining for the period of the dues payment.

## **Section 59 Dues, Assessments and Fees**

The Board of Directors may levy upon the Members such fees, dues and assessments as it shall deem appropriate; provided, however, that a Member who resigns as a Member promptly upon learning of any such fees, dues or assessments, may avoid liability therefor, except such liability as may be imposed by contract. Fees, dues and assessments for membership in the corporation may be increased or decreased by the Board of Directors, in its discretion, at any time. Membership in the corporation will automatically renew on an annual basis, and membership fees, if any, will be invoiced at each subsequent anniversary period. Members shall be obligated to make payment of annual fees, dues and assessments with fifteen (15) calendar days of written notice of such fees, dues or assessments.

## **Section 60 Membership Privileges**

All Members shall be entitled to receive, free of charge, the corporation's periodic newsletter, to attend art classes conducted by the corporation for a reduced class fee as determined by the Board of Directors from time to time, to exhibit their works of art (subject to show criteria, guidelines, and fees) in the corporation's periodic gallery show, and shall be entitled to other benefits as determined by the Board of Directors from time to time.

## **Section 61 Membership Book**

The corporation shall maintain a membership record containing the name, mailing address, phone number, email address and class of membership of each Member, the date on which membership commenced for such Member, and such other information as may be appropriate. Such membership record shall be kept at the corporation's principal office and shall be available for inspection by any director or , subject to the corporation's Privacy Policy any Member of the corporation during regular business hours.

## **Section 62 Nonliability of Members**

No Member of this corporation shall, by virtue of such Members status as a Member, be personally liable for the debts, liabilities or obligations of the corporation.

## ARTICLE XII INSPECTION OF CORPORATE RECORDS

### Section 63 Inspection by Directors

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

### Section 64 Inspection by Members

(a) Inspection of Corporate Records. The accounting books and records and minutes of proceedings of the Members, the Board of Directors and committees of the Board of Directors shall be open to inspection upon written demand on the corporation of any Member at any reasonable time for a purpose reasonably related such person's interests as a Member. Any such inspection may be made by the Member in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.

(b) Inspection of Articles and Bylaws. The original or a copy of the Articles of Incorporation and these bylaws shall be kept as provided in Section 45 of these bylaws and shall be open to inspection by the Members, their agents and attorneys, at all reasonable times during normal business hours. If the corporation has no office in the state of California, a current copy of the Articles of Incorporation or these bylaws shall be furnished to any Member upon written request.

### Section 65 Written Form

If any record subject to inspection pursuant to Section 60 or 61 of these bylaws is not maintained in written form, a request for inspection is not complied with unless and until the corporation at its expense makes such record available in written and/or electronic form.

## ARTICLE XIII MISCELLANEOUS

### Section 66 Fiscal Year

Unless otherwise fixed by resolution of the Board of Directors, the fiscal year of the corporation shall end on the 31<sup>st</sup> day of July in each calendar year.

### Section 67 Annual Report

- (a) The Board of Directors shall cause to be prepared annually, within one hundred twenty (120) days after the close of the corporation's fiscal year, a report (hereinafter referred to as the "*Annual Report*") containing, in appropriate detail, the information required by California Corporations Code Section 6321 to be included in such report.

- (b) The Board of Directors shall cause a copy of each Annual Report to be furnished annually in the manner provided in Section 9 of these bylaws to each director of the corporation and each Member who requests in writing to receive such report.
- (c) If, at any time during a fiscal year, the corporation has more than twenty-five thousand dollars (\$25,000) in gross revenues or receipts, the Board of Directors shall cause a copy of the Annual Report covering such year to be sent to each Member of the corporation in the manner provided in Section 9 of these bylaws not later than one hundred twenty (120) days after the end of such fiscal year; provided, however, that if the Articles of Incorporation or these bylaws provide for the holding of regular meetings of Members less often than annually, the report required by this subsection (c) need be sent to Members only with the frequency with which such regular meetings are required to be held.

## **Section 68 Annual Statement of Certain Transactions and Indemnifications**

To the extent and with the frequency required by California Corporations Code Section 6322, the Board of Directors shall cause, to be furnished to the Members a statement of any transaction or indemnification described in said Section 6322.

## **Section 69 Bylaw Amendments**

- (a) These bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of two-thirds (2/3) of the Board of Directors, unless such amendment, repeal or adoption would materially and adversely affect the rights of Members as to voting or transfer of memberships. Notwithstanding the foregoing, a bylaw specifying or changing a fixed number of directors or the maximum or minimum number or changing from a fixed to a variable board or vice versa may only be adopted by approval of the Members as provided herein.
- (b) These bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the Members represented and voting at a duly held meeting at which a quorum is present; provided, however, that such amendment, repeal or adoption also requires approval by the Members of a class if such action would materially and adversely affect the rights of that class as to voting or transfer of memberships in a manner different from the manner in which such action would affect the Members of any other class.

## **Section 70 Construction and Definition**

Unless the context requires otherwise, the general provisions, rules of construction and definitions contained in the California Corporations Code shall govern the construction of these bylaws. Without limiting the foregoing, "shall" is mandatory and "may" is permissive.

## **Section 71 References to Corporations Code**

The section references appearing in brackets at the end of certain paragraphs of these bylaws refer to the California Corporations Code unless otherwise identified. All material appearing in brackets at the end of certain paragraphs is intended solely for information and convenience of reference and is not to be construed as part of these bylaws.

## *ARTICLE XIV INDEMNIFICATION*

### **Section 72 Indemnification of Directors, Officers, Employees and Other Agents**

The corporation shall have the power to indemnify its agents as set forth in California Corporations Code Section 5238. The corporation shall have no obligation to grant such indemnification except as expressly set forth in said Section 5238.

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