

BYLAWS OF THE CALIFORNIA GROUNDWATER ASSOCIATION, INCORPORATED

A CALIFORNIA NONPROFIT
MUTUAL BENEFIT CORPORATION
Revised September 2019

ARTICLE 1 NAME

1.01. The name of this Corporation shall be "California Groundwater Association, Incorporated" (CGA).

ARTICLE 2 OFFICES

2.01. PRINCIPAL OFFICE. The principal office for the transaction of the business of the Corporation (Principal Executive Office) is located in Sonoma County, California. The directors may change a principal office from one location to another. Any change of this location shall be noted by the Secretary on these bylaws opposite this Section 2.01, or this Section 2.01 may be amended to state the new location.

2.02. OTHER OFFICES. The Board of Directors may, at any time, establish subordinate offices at any place or places where the Corporation is qualified to do business.

ARTICLE 3 OBJECTIVES AND PURPOSE

3.01. The objectives of this Corporation shall be:

- A. To promote and provide leadership in efforts to educate the members and the public with regard to California's groundwater and water well industry.
- B. To work for and maintain a high standard in the construction of groundwater wells and in the installation and maintenance of allied equipment to the ends that safety and good performance are assured the user and the public, and that California groundwater is properly protected.
- C. To foster sound merchandising and fair-trade practices with proper regard for the laws and rules governing fair competition.
- D. To cooperate with other civic or business groups and interests for mutual benefits.
- E. To cooperate with municipal and state authorities in matters of public interest.
- F. To compile and distribute industry statistics.
- G. To encourage and foster harmonious relations between employees/employers.
- H. To represent the interests of its members in matters of legislation and regulation and in other pertinent subjects.
- I. To do any and all other things which come within the scope of the Corporation bylaws which

will aid any member in the solution of the member's particular problem.

**ARTICLE 4
MEMBERSHIP**

4.01. ORGANIZATION OF MEMBERS

- A. CLASSES. There shall be six (6) classes of membership in this corporation: Individual Membership, Business Membership, Governmental Membership, Affiliate Membership, Retired Membership, and Lifetime Membership. The Business Membership class shall be further divided into three membership types: Contractor Members, Manufacturer/Supplier Members, and Technical Members.
- B. DIVISIONS. Business members shall be assigned to two divisions according to the type of membership: Contractor/Technical Division, and Manufacturer/Supplier Division.
- C. BRANCHES. The Contractor/Technical Division shall be further divided into branches by geographical region. The Manufacturer/Supplier Division may also be divided into branches upon application by members of the division and approval of the Board, as provided in Section 4.04.
- D. GENERAL MEMBERSHIP DEFINED. Contractor and Technical Business Members shall be "members" as the term is defined in California Corporations Code Section 5056(a) and shall have all the rights of general membership. Manufacturer/Supplier Business Members, Individual Members, Affiliate Members, Retired Members, and Lifetime Members shall be "associated persons" as the term is defined in California Corporations Code Section 7333(a) and shall have only those rights granted in these bylaws.

4.02. QUALIFICATIONS FOR BUSINESS MEMBERSHIPS

A. CONTRACTOR MEMBERS.

- 1. Any corporation, partnership, limited liability company, or individual doing business as a sole proprietorship who is a water well drilling and/or pump installation contractor, who owns or operates water well drilling equipment and/or pump installation equipment, who is engaged principally in the business of constructing, repairing, servicing and maintaining water wells and/or pumps and who maintains proper books or accounts and records incident to the conduct of his business may become a contractor member.
- 2. The term "water well drilling and/or pump installation contractor" as used here-in is defined to mean any individual or firm or business organization who holds a valid California Class C-57 Water Well Driller or C-61 Pump Installer Contractor's License.

B. MANUFACTURER/SUPPLIER MEMBERS.

- 1. Any corporation, partnership, limited liability company, or individual doing business as a sole proprietorship that manufactures, supplies, sells, or provides goods or services to Contractor Members may be enrolled as a Manufacturer/Supplier Member provided they do not qualify as a Contractor Member.
- 2. Manufacturer/Supplier Members shall have all the privileges of Business

Membership, shall be eligible to vote at general membership meetings and hold elective office.

C. TECHNICAL MEMBERS. Any corporation, partnership, limited liability company, or individual doing business as a sole proprietorship engaged in providing professional services to the groundwater industry may be enrolled as a Technical Member.

4.03. QUALIFICATIONS FOR OTHER MEMBERSHIPS

A. AFFILIATE MEMBERSHIPS. Businesses or individuals who are not doing business within the general purview of the groundwater industry but who desire to participate in various programs offered by the California Groundwater Association may be enrolled as affiliate members. Affiliate members shall not vote at general membership meetings or hold elective office.

B. RETIRED MEMBERS. This membership group shall be made up of individuals who have been in good standing in the Association for a reasonable length of time and have retired from the business or occupation that qualified them for membership. Retired members shall not vote at general membership meetings or hold elective office.

C. LIFETIME MEMBERS. This membership group shall be made up of those individuals providing extreme meritorious service to CGA and shall be a special honorary membership. Lifetime members shall not vote at general membership meetings or hold elective office.

D. GOVERNMENTAL MEMBERSHIPS. Employees and elected officials of all federal, state, and local governmental entities or of California special districts, who are concerned about groundwater resources and the promotion of the goals of CGA, may be enrolled as governmental members. Governmental members may not vote at general membership meetings or hold elective office.

E. INDIVIDUAL MEMBERSHIPS. Employees of business members and all other individuals who do not qualify for business membership or governmental membership, but who are concerned about groundwater resources and the promotion of the goals of CGA may be enrolled as individual members. Individual members shall not vote at general membership meetings or hold elective office except as the designated representative of a business member. A person who owns an equity interest in a firm which otherwise qualifies for business membership but is not a business member shall pay the same fee for an individual membership as his/her firm would pay for a business membership.

4.04. APPLICATION AND APPROVAL FOR MEMBERSHIP

A. PROCEDURE FOR APPLICATION

1. Application for membership shall be made on forms provided by the Corporation. Applications for business memberships shall include verification of the applicant's business status; contractor applicants shall provide a photocopy of their contractor's pocket license. The application shall designate the applicant's business location for the purpose of branch assignment. The application shall contain the name of the person or persons who may cast the member's vote on any matter for which that membership will be authorized to vote.

2. Applications may be submitted to the Executive Director of the Corporation or the Secretary of the local Branch.
 3. Each new member shall receive upon induction into this Corporation a copy of the Bylaws and Rules and Regulations.
- B. APPROVAL OF BUSINESS MEMBERS. The Executive Director shall review all applications for Business Membership to ensure the applicant is qualified as set forth in this Article 4 and shall notify the President of the result of the review. Approved applicants shall become members of the Contractor/Technical or Manufacturer/Supplier Division and may be assigned to an appropriate branch unless otherwise requested by the applicant.
- C. APPROVAL OF RETIRED AND LIFETIME MEMBERS. Enrollment in these membership categories shall be at the sole discretion of the Board of Directors
- D. APPROVAL OF GOVERNMENTAL, INDIVIDUAL AND AFFILIATE MEMBERS. The Board may adopt rules for review and approval of applications for governmental, individual and affiliate memberships.

4.05. BRANCH FORMATION AND STRUCTURE

A. BRANCHES DEFINED

1. A Branch as used herein shall be defined as any group of four (4) or more business members within a common division who have individually applied for and received membership in CGA. Each Contractor/Technical Branch shall have at least two Contractor Business Members.
2. The purpose of branch organizations is to facilitate meetings of members in local geographical regions. However, no business member is required to become a member of a branch, nor is any division required to have branches in all areas of the state. Where two or more divisions have branches in the same area, the branches are encouraged to hold periodic joint meetings.

B. BRANCH TERRITORY

1. The addition and/or deletion of territory to the jurisdiction of any branch shall be within the discretion of the Board of Directors of CGA; provided, however, the Board of Directors must give thirty (30) days notice to the being effected by the territory change and the effected branches and division shall be given the opportunity to be heard by the Board of Directors prior to any change in territory.
2. The Board of Directors shall have the authority to form new Branches. Individual business members may petition the Board to establish a new branch. The petition must be submitted by at least four business members within a single division. Notice shall be given to any effected branches as provided in paragraph B.1 above.

C. BRANCH OFFICERS AND ELECTIONS

1. Each Branch shall annually elect a Branch President, Vice-President, Secretary/Treasurer and Member-at-Large. No business membership shall vote in more than one branch election nor have more than one representative of the firm serving as a branch officer. Each membership shall cast only one vote for each elective office. Each Contractor/Technical Branch shall elect at least two Contractor Members as branch officers.
2. The annual branch election shall take place in September. Branch officer's terms shall start January 1. Only representatives of those memberships having paid dues by January 1 each year shall hold office for that year.

D. BRANCH REPRESENTATIVE ATTENDANCE.

1. It shall be the responsibility of each Branch to have at least one (1) of its officers qualified to act as a member of the Board of Directors and, with respect to Contractor/Technical Branches, in attendance at each meeting of the Board of Directors.
2. Continued failure to comply with this requirement shall be cause for the Board of Directors to take disciplinary action with respect to any non-complying branch. The disciplinary action may take the form of (1) dissolution or deactivation of the branch and assigning individual members to other branches, (2) reduction or termination of branch rebates, or (3) any other action approved by the Board.

4.06. DIVISION FORMATION AND STRUCTURE

A. DIVISIONS DEFINED.

1. There shall be two divisions consisting of all the respective business members of each of the two types of business membership: Contractor/Technical Division and Manufacturer/Supplier Division.
2. The Contractor/Technical Division shall also be the general membership organization of the corporation, and, in addition to the provisions of this Section 4.06, shall be governed by all provisions of these Bylaws and of the California Corporations Code pertaining to general membership. All meetings of the Contractor/Technical Division as a whole shall be conducted as meetings of the corporation's general membership. The elected officers of the corporation as defined in Article 7 shall also become the officers of the Contractor/Technical Division.

B. DIVISION OFFICERS AND ELECTIONS

1. The Contractor/Technical Division shall elect those officers designated in Article 7. The other divisions shall annually elect a President, Vice-President, Secretary, and Treasurer. The term of office shall be one year, and each President shall serve no more than two consecutive terms. Each membership shall cast only one vote for each elective office.
2. No business membership shall have more than one representative of the firm

serving as a division officer, and no branch shall have more than two representatives elected as an officer of the division.

3. Division elections shall take place at the annual meeting of the division held during the CGA convention. Division officer's terms shall start January 1. Only representatives of those memberships having paid dues by January 1 each year shall continue to hold office for that year.
4. Procedures for Contractor/Technical Division elections are set forth in Article 7. Manufacturer/Supplier Division elections shall conform to the procedure set forth in Section 7.02.C.

C. ANNUAL MEETINGS. The annual meeting of the Contractor/Technical Division, being the meeting of the members of the corporation, is governed by Article 5. The annual meetings of the other divisions shall be conducted in a manner consistent with the procedures for the general membership meeting, except that notice and quorum requirements shall not apply.

D. DIVISION/BRANCH POLICIES. No division, branch or individual shall make or disseminate any policy with regard to governmental regulations, technical specifications, political controversies, elections, or similar matters without prior approval of the Board of Directors, or except as that policy clearly indicates that the policy is the policy of the branch or individual and not that of the CGA.

4.07. TERMINATION OF MEMBERSHIP

A. CAUSES OF TERMINATION. The membership of any member shall terminate upon occurrence of any of the following events:

1. The resignation of the member.
2. The expiration of the period of membership, unless the member sooner renews for a subsequent period, on the renewal terms set by the Board of Directors.
3. The occurrence of any event which renders such member ineligible for membership, provided that termination for such cause shall take effect only upon expiration of the period (not to exceed one (1) year) for which such members current membership runs.
4. The determination by the President, Board of Directors or Expulsion Committee, in accordance with the procedures set forth in Sections 4.07.B and 4.07.C, that the member has failed in a material and serious degree to observe the rules of conduct of the Corporation or has engaged in conduct materially and seriously prejudicial to the interest of the Corporation.

B. PROCEDURE FOR EXPULSION OF MEMBERS.

1. The Executive Committee shall appoint an Expulsion Committee consisting of three or more directors to review any proposed expulsion of a member. The Expulsion Committee shall include at least one past president of the Association.

The Expulsion Committee shall hear whatever evidence it deems relevant and render a written decision to the Executive Committee within thirty days of receipt of the proposed expulsion. The Executive Committee shall thereupon set a date for expulsion and give notice as provided below.

2. A notice shall be sent by certified mail, prepaid, to the most recent address of the member as shown on the Corporation's records, setting forth the proposed expulsion and the reasons therefore, and notifying the member of the right of appeal to the full Board of Directors as provided in this Section 4.07. Such notice shall be postmarked at least fifteen (15) days before the proposed effective date of the expulsion.
3. The member being expelled may appeal the expulsion by giving written notice by personal delivery or certified mail to the Corporation at its principal office at any time prior to the proposed expulsion date. The expulsion date shall be postponed during the period of appeal. If no appeal is delivered, the initial determination of the Expulsion Committee shall become final on the proposed effective date.
4. Upon receipt of appeal, a hearing will be held at the next regular meeting of the Board of Directors. A notice shall be sent to the member not less than ten (10) days prior to the hearing stating the date, time and place of the hearing.
5. The member shall be given an opportunity to be heard, either orally or in writing, at the hearing.
6. Following the hearing, the Board shall decide whether or not the member should in fact be expelled, suspended, or sanctioned in some other way. The written decision of the Board shall be final and shall become effective five (5) days after mailing to the effected member.

C. REFUNDS AND REINSTATEMENT.

1. Any member expelled from the Corporation shall receive a refund of dues or assessments already paid. The refund shall be pro-rated to return only the unaccrued balance remaining for the period of the dues payment.
2. Any member expelled from the Corporation shall be ineligible for re-application for membership for a period of three (3) years, unless a different period is set forth in the written notice of expulsion or proposed expulsion.

ARTICLE 5 MEETINGS OF MEMBERS

5.01. "MEMBER" DEFINED. Except as otherwise provided in this Article 5 or the provisions of the California Nonprofit Corporation Law, the term member as used in this Article 5 shall mean a member of a class entitled to vote as defined in Section 4.01.D.

5.02. PLACE OF MEETING. Meetings of the membership shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, members' meetings shall be held at the principal office of the Corporation.

5.03. ANNUAL MEETING. There shall be an annual meeting of members at the time and place selected by the Board of Directors, but in no event shall such meeting be held more than fifteen months after the last regular meeting.

5.04. SPECIAL MEETING

A. **AUTHORIZED PERSONS WHO MAY CALL.** A special meeting of the members may be called at any time by the Board of Directors or the President. Special meetings of the members may also be called by five percent (5%) or more of the Contractor and Technical Members, or by five percent (5%) of the total membership regardless of class of membership.

B. CALLING MEETINGS BY MEMBERS.

1. If a special meeting is called by members other than the President, the request shall be submitted by such members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the President, any Vice President, or the Secretary of the Corporation.

2. The officer receiving the request shall cause notice to be promptly given, in accordance with the provisions of Section 5.05, to members entitled to vote. The scheduled date of the meeting shall be not less than 35 nor more than 90 days following the receipt of the request. If the notice is not given within the twenty (20) days after receipt of the request, the persons requesting the meeting may give the notice.

3. Nothing contained in this Section 5.04 shall be construed as limiting, fixing, or affecting the time when a meeting of members may be held when the meeting is called by action of the Board of Directors.

5.05. NOTICE OF MEMBERS' MEETINGS

A. **CONTENTS OF NOTICE.** All notices of meetings of members shall be sent or otherwise given in accordance with Section 5.05.C not less than twenty (20) days (ten (10) days if given by registered or certified mail) before the date of the meeting. The notice shall specify the place, date, and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, or (ii) in the case of the annual meeting, those matters which the Board of Directors, at the time of giving the notice, intends to present for action by the members.

B. **NOTICE OF CERTAIN AGENDA ITEMS.** If action is proposed to be taken at any meeting for approval of any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s).

1. Removing a director without cause.

2. Filling vacancies on the Board of Directors by the members.

3. Amending the Articles of Incorporation.
4. Approving a contract or transaction in which a director has a material financial interest.
5. Approving a plan of distribution of assets other than cash in liquidation when the corporation has more than one class of memberships outstanding.

C. MANNER OF GIVING NOTICE.

1. Notice of any meeting of members shall be given either personally or by first-class mail, telegraphic or other written communication, charges prepaid, addressed to each member either at the address of that member appearing on the books of the Corporation or the address given by the member to the Corporation for the purposes of notice.
2. 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 telegraphic or other written communication to the Corporation's principal executive office or (ii) notice is published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

D. AFFIDAVIT OF DELIVERY OF NOTICE. An affidavit of the mailing or other means of giving any notice of any members meeting may be executed by the secretary or the Executive Director of the Corporation giving the notice and if so executed shall be filed and maintained in the minute book of the Corporation.

5.06. QUORUM

- A. PERCENTAGE REQUIRED. Twenty percent (20%) of the members eligible to vote shall constitute a quorum for the transaction of business at a meeting of the members. The only matters that may be voted on, however, at any regular meeting, attended in person or in proxy by less than thirty-three and one-third percent (33 1/3%) of the voting power are the matters of which notice of the general nature was given pursuant to Section 5.05.
- B. LOSS OF QUORUM. Subject to Section 5.06.A, the members present at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

5.07. ADJOURNED MEETING. Any member's meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 5.06.

5.08. VOTING

- A. **ELIGIBILITY TO VOTE.** Only Contractor/Technical business members shall be eligible to vote. The persons entitled to vote each membership at any meeting of members shall be the person designated in Section 4.04.A.1, or in that person's absence, any recognized member of the firm concerned. At all times there shall be only one vote per membership. The record date for determining members entitled to vote shall be as of the date determined in accordance with Section 5.10.
- B. **MANNER OF CASTING VOTES.** Voting may be by voice or ballot provided that any election of directors must be by ballot if demanded by any member before the voting begins.
- C. **REQUIRED MAJORITY.** If a quorum is present, the affirmative vote of the majority of the members represented at the meeting, entitled to vote and voting on any matter shall be the act of the members, unless the vote of a greater number or voting by classes otherwise not eligible to vote is required by California Nonprofit Corporation law or by the Articles of Incorporation.

5.09. WAIVER OF NOTICE OR CONSENT BY ABSENT MEMBERS

- A. **WRITTEN WAIVER OR CONSENT.** The transactions of any meeting of members, either annual or special, however called or noticed, and wherever held, are as valid as though had at a meeting duly had after regular call and notice, if a quorum be present, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to the holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section 5.05.B the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.
- B. **WAIVER BY ATTENDANCE.** Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting

5.10. RECORD DATE FOR MEMBER NOTICE, VOTING, AND GIVING CONSENTS AND OTHER ACTIONS.

- A. **DETERMINATION BY BOARD OF DIRECTORS.** For the purposes of determining which members are entitled to receive notice of any meetings, to have consent to corporate action without a meeting, or to take other action, the Board of Directors may fix, in advance, a "record date", which shall not be more than sixty (60) nor fewer than ten (10) days before the date of any such meeting, nor more than sixty (60) days before

any such action without a meeting. Only members of record on the date so fixed are entitled to notice, to vote, to give consents, or take other action, as the case may be, except as otherwise provided in the Articles of Incorporation, by agreement, or in the California Nonprofit Corporation Law.

B. FAILURE OF BOARD TO DETERMINE.

1. Record Date for Notices of Voting. Unless fixed by the Board of Directors, the record date for determining those members entitled to receive notice of or to vote at a meeting of members, shall be the next business day preceding the day on which notice is given or, if notice is waived, the next business day preceding the day on which the meeting is held.
2. Record Date for Other Actions. Unless fixed by the board, the record date for determining those members entitled to take any other action shall be the date the board adopts the resolution relating thereto or the 60th day prior to the date of such other action, whichever is later.
3. Record Date means as of Close of Business. For purposes of this paragraph B., a person holding membership as of the close of business on the record date shall be deemed the member of record.

5.11. VOTING OF CLASSES. Each Contractor/Technical Business Member shall be entitled to cast one (1) vote on all matters submitted to a vote of the members. Other classes shall not vote except on such matters as required by California Nonprofit Corporation Law.

5.12. PROXIES.

- A. RIGHT OF MEMBERS. Every member entitled to a right to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the member and filed with the secretary of the corporation. A proxy shall be deemed signed if the member's name is placed on the proxy, whether by manual signature, typewriting, telegraphic transmission or otherwise or by the member's attorney in fact.
- B. REVOCABILITY. A validly executed proxy that does not state that it is irrevocable shall continue to full force and effect unless:
 1. Revoked by the member executing it before the vote cast pursuant to that proxy, by a writing delivered to the corporation stating that the proxy is revoked by a subsequent proxy executed by such member, or by personal attendance and voting at a meeting by such member, or
 2. Written notice of the death or incapacity of the maker of the proxy is received by the corporation before the vote pursuant to that proxy is counted, provided however, that no proxy shall be valid after the expiration of 11 months from the date of the proxy, unless otherwise provided in the proxy, but in no event longer than three (3) years. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of the California Nonprofit Corporation Law.

- C. **EFFECT OF DEATH OR INCAPACITY.** A proxy is not revoked by the death or incapacity of the maker or the termination of a membership as a result thereof unless, before the vote is counted, written notice of the death or incapacity is received by the corporation.

ARTICLE 6 DIRECTORS

6.01. NUMBER AND COMPOSITION OF DIRECTORS. The authorized number of directors shall be two for each branch (26 Maximum), and two for the Manufacturer/Supplier Division for a total of 28 (maximum) except no membership shall be more than one person from the entity represented on the Board of Directors from a branch or Manufacturer/Supplier Division.

The CGA President, Vice-president, and immediate past president shall be ex officio members of the Board of Directors but shall not vote or be counted for quorum purposes at a board meeting except as the designated representative of their respective branches.

6.02. SELECTION OF DIRECTORS.

A. Contractor/Technical Division.

1. Each Branch of the CGA shall be represented on the Board of Directors by the duly elected officers from that branch, except that, no member shall have more than one person from that entity represented on the Board of Directors and whenever two officers appear to represent a branch at a Board meeting, at least one shall be a Contractor/Technical Member.
2. Except for the President and Past President, the members of the Executive Committee, if in attendance, shall each represent and cast one of the votes for their representative branches. If the Branch does not designate which other persons will represent the branch, and more eligible persons appear than the number seats for that branch, the remaining branch seats shall be filled by the President, Member-at-Large, Vice-President, and Secretary of the branch in that order. The CGA President and any CGA past president may sit as branch representatives and cast the branch's vote(s) if the required two branch officers are not otherwise in attendance.

B. **Manufacturer/Supplier Division.** This division shall choose to be represented on the Board of Directors by either the officers or the immediate past president if a member in good standing, except that, no membership shall have more than one person from that entity represented on the Board of Directors. If no person is designated to represent Manufacturer/Suppliers, and more eligible persons appear than the number seats (2) for the division, the division seats shall be filled by the President, Vice-President, Secretary, Treasurer, and immediate past president in that order.

6.03. TERM OF ELIGIBILITY OF DIRECTORS. Only persons who are or who represent a member in good standing are eligible to sit on the Board as a director. The term of eligibility for persons serving as directors shall be one year and they may serve and hold office until expiration of the term for which elected and until a successor has been elected and qualified. The new directors will be seated at the first meeting of the calendar year.

6.04. VACANCIES.

- A. **EVENTS CAUSING VACANCIES.** A potential vacancy or vacancies in the Board of Directors shall be deemed to exist whenever a person eligible to sit on the board dies, resigns, or is terminated from membership or office, or is otherwise disqualified by operation of the California Corporations Code.
- B. **FILLING VACANCIES.** If two or more eligible persons from a single Contractor/Technical branch or from the Manufacturer/Supplier Division become ineligible to sit as directors, the vacancies shall be filled by an election of the branch or division for which the vacancies exist.
- C. **REDUCTION OF NUMBER.** The reduction of the authorized number of directors shall be effective only as of the first meeting of a calendar year.

6.05. POWERS.

- A. **GENERAL CORPORATE POWERS.** Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles of Incorporation and these Bylaws relating to action required to be approved by the members, the business affairs of the corporation shall be managed, and all corporate powers shall be exercised by or under the direction of the Board of Directors.
- B. **SPECIFIC POWERS.** Without prejudice to these general powers and subject to the same limitations, the directors shall have the power to:
 - 1. Select and remove all officers, agents and employees of the corporation, and prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation and with these Bylaws, and fix their compensation.
 - 2. Change the principal executive office or the principal business office in the State of California from one location to another; cause the corporation to be qualified to do business in any other state, territory, dependency, or country and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any members' meeting or meetings, including annual meetings.
 - 3. Adopt, make and use a corporate seal, prescribe the forms of membership certificates, and alter the form of the seal and certificate.
 - 4. Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

6.06. SCHEDULE OF REGULAR MEETINGS. The Board of Directors shall meet a minimum of three to a maximum of four regular meetings per year.

6.07. CALL FOR SPECIAL MEETINGS. Special meetings of the Board of Directors for any

purpose may be called at any time by the president of the Board, any Vice-President, the Secretary or any two persons eligible to sit as directors by virtue of holding current branch or division office.

6.08. PLACE OF MEETINGS.

- A. LOCATION OF REGULAR MEETINGS. Regular meetings of the board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the place designated by the President of the Board.
- B. LOCATION OF SPECIAL MEETINGS. Special meetings of the Board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated on the notice, or if there is no notice, at the principal executive office of the corporation.
- C. CONSENT TO OTHER LOCATIONS. Notwithstanding the above provisions of this Section 6.08, a regular or special meeting of the Board of Directors may be held at any place consented to in writing by all the Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting.
- D. TELEPHONE MEETINGS. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

6.09. NOTICE OF MEETINGS.

- A. MANNER OF GIVING. Notice of the time and place of special meetings shall be given to each person eligible to sit as a director by one of the following methods. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the corporation.
 - 1. By personal delivery or written notice.
 - 2. By first-class mail, postage paid.
 - 3. By telephone communication, either directly to the director or to the person at the director's office who would reasonably be expected to communicate such notice promptly to the director.
 - 4. By telegram, charges prepaid.
- C. TIME REQUIREMENTS. Notices sent by first-class mail shall be deposited into a United States mailbox at least four days before the time set for the meeting. Notices given by personal delivery, telephone or telegraph shall be delivered, telephoned or given to the telegraph company at least forty-eight hours before the time set for the meeting.
- D. CONTENTS OF NOTICE. The notice shall state the time and place for the meeting.

However, it need not specify the purpose of meeting or the place of the meeting if it is to be held at the principal executive office of the corporation.

6.10. WAIVER OF NOTICE. Notice of a meeting need not be given to any director who signs a waiver of notice or a written consent to hold a meeting or an approval of the minutes thereof, whether before or after the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.11. QUORUM.

- A. **NUMBER CONSTITUTING.** One-third (1/3) of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 6.12.
- B. **VOTE REQUIRED TO ACT.** 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 regarded as the act of the Board of Directors.
- C. **LOSS OF QUORUM.** A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.
- D. **SUBSTITUTION OF PERSONS SITTING AS DIRECTORS.** The person representing a branch or division at the start of a meeting may be replaced by any other person from the same branch or division who is not then sitting as a director and who is also eligible to serve as a director, without effecting the number of directors present.

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

6.13. NOTICE OF ADJOURNMENT. Notice of the time and place of holding adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the persons eligible to serve as directors who were not present at the time of the adjournment.

6.14. ACTION WITHOUT MEETING. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board as the representatives are designated by the individual branches and divisions for such purpose or, if not so designated, as determined in Section 6.02, individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

6.15. FEES AND COMPENSATION OF DIRECTORS. Directors and members of committees may receive such compensation, if any, for their services and such reimbursements of expenses, as may be determined by resolution of the Board of Directors to be just and reasonable.

ARTICLE 7 OFFICERS

7.01. OFFICERS. The officers of the corporation shall be a President, a Vice-President, a Secretary and a Treasurer. The corporation may also have, at the discretion of the Board of Directors, such other officers as may be appointed in accordance with Section 7.03. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve concurrently as the President. The term of office shall commence the January 1 following the date of confirmation at the annual general membership meeting and shall continue until a replacement is selected and takes office as provided in Sections 7.02 or 7.06.

7.02. SELECTION OF OFFICERS

- A. **SELECTION.** Selection of candidates for offices of the Corporation shall be made by the Board of Directors at the last regular meeting of the year of the Board of Directors, provided that such meeting is held prior to the notice of members' meetings deadline established in Section 5.05. Candidates must be either current Contractor, Technical, or Manufacturer/Supplier Division_Branch officers or the incumbent Division President or Vice-President to be eligible for selection for office, except that no more than two persons from any branch shall sit on the Executive Committee, and at least two members of the Executive Committee shall be Contractor members. The President and Vice-President shall be limited to two consecutive one year terms in their respective office.
- B. **CONFIRMATION.** From the candidates selected by the Board of Directors, the officers of the corporation, except those appointed in accordance with the provisions of Section 7.03, shall be confirmed by the general membership at the annual general membership meeting. Confirmation shall require the affirmative vote of the majority of members in attendance and voting. Confirmation will proceed in the order of President, Vice-President, Secretary and Treasurer.
- C. **FAILURE TO CONFIRM.** Should a candidate not be confirmed, the office shall be filled by election of the general membership at the same meeting. Candidates shall be nominated from the floor, and the individuals nominated shall be subject to the same qualifications as provide in this Section 7.02. Election shall require the affirmative vote of the majority of members in attendance and voting. If no nominee receives a majority, the nominee receiving the fewest votes shall be eliminated, and another ballot taken from among the remaining nominees.

7.03. SUBORDINATE OFFICERS

- A. **APPOINTMENT OF SUBORDINATE OFFICERS.** The Board of Directors may appoint and may authorize the President or another officer to appoint, any other officers that the business of the corporation may require. Each appointed officer shall have the title, term of office, authority, and perform the duties specified from time to time by the Board of Directors.
- B. **EXECUTIVE DIRECTOR.** The Board of Directors may engage the services of an Executive Director. Compensation for the Executive Director shall be determined by the Board of Directors and the duties of the Executive Director shall be as follows:

1. The Executive Director shall have custody of the funds and assets of the Association, shall keep the account of all monies received and expended for the Association and shall make disbursements authorized by the Board of Directors. The Executive Director shall deposit all sums received in the name of the Association in a bank designated by the Board of Directors.
2. The Executive Director shall furnish a good and sufficient bond as determined by the Board of Directors. The premium for the bond shall be paid from the funds of the Association. The accounts of the Executive Director shall be audited at the close of each fiscal year and whenever the incumbent Executive Officer leaves the position.
3. The Executive Director shall perform such duties as ordinarily performed by such officer and such duties as shall be assigned to him by such Board of Directors.
4. The Executive Director shall attend all Board of Directors meetings unless excluded by the Board of Directors but shall have no voting power on the Board of Directors.

7.04. REMOVAL OF OFFICERS. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed with or without cause by the Board of Directors at any regular or special meeting of the Board or, except in the case of an officer chosen by the Board of Directors, by an officer on whom such power of removal may be conferred by the Board of Directors.

7.05. RESIGNATION OF OFFICERS. Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified on the notice, and, unless otherwise specified in that 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.

7.06. VACANCIES IN OFFICES. A vacancy in any office because of death, resignation, removal, disqualification, failure of a selected officer to take office, or any other cause shall be filled by the Board of Directors at the next board meeting following the effective date of the vacancy. The person selected shall then serve in that office until new officers are chosen as provided in Section 7.02.

7.07. RESPONSIBILITIES OF OFFICERS

- A. **PRESIDENT.** The President shall preside at meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the Bylaws. The president shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, generally supervise, direct and control the business and the officers of the corporation. The President shall be an ex-officio member of all committees.
- B. **VICE-PRESIDENT.** In the absence or disability of the President, 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 upon, the President. The Vice-President shall

have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors.

C. **SECRETARY.** The Secretary shall attend to the following:

1. **Books of Minutes.** The Secretary shall keep, or cause to be kept, in written form a record of the proceedings of its members, the Board of Directors, and committees of the Board of Directors, with the time and place of holding, whether regular or special, and if special, how authorized, the notice given, and the names of those present at such meetings.
2. **Membership records.** The Secretary shall keep, or cause to be kept, a record of the corporation's members showing the names of all members, their addresses and the class of membership held by each.
3. **Notices, Seals and Other Duties.** The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors as required to be given, shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

D. **TREASURER.** The Treasurer shall attend to the following:

1. **Books of Account.** The Treasurer shall keep cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and other matters customarily included in financial statements. The books of accounts shall be open to inspection by any director at all reasonable times.
2. **Annual report to members.** The Treasurer shall cause to be prepared the annual report required under Section 10.05.
3. **Deposit of assets and disbursement of funds.** The Treasurer shall, through the Executive Director, cause the deposit of all assets and disbursement of the funds of the corporation as may be ordered by the Board of Directors; shall, through the Executive Director, render to Directors, whenever they request it, an account of all transactions and of the financial conditions of the corporation; and shall have other powers and perform such other duties as may be prescribed by the Board of Directors.

ARTICLE 8 COMMITTEES

8.01. COMMITTEES OF DIRECTORS.

- A. **DESIGNATION.** The Board of Directors may by resolution adopted by a majority of the directors then in office designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the Board.
- B. **POWERS.** Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee regardless of Board resolu-

tion, may:

1. Take any final action on matters which under the Nonprofit Corporation Law of California, also requires members approval or approval of a majority of all the members.
2. Fill vacancies on the Board of Directors or in any committee which has the authority of the Board.
3. Fix compensation of the directors for serving on the Board or on any committee.
4. Amend or repeal Bylaws or adopt new Bylaws.
5. Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repeatable.
6. Appoint any other committees of the Board of Directors or the members of these committees.
7. Approve any transaction to which the corporation is a party and one or more directors have a material financial interest; or between the corporation and one or more of its directors; or between the corporation or any person in which one or more of its directors have a material financial interest.

C. EXECUTIVE COMMITTEE.

1. As used in these Bylaws, the Executive Committee shall be composed of the President, Vice-President, Secretary, Treasurer, and the immediate Past-President of the corporation. Except as limited by resolution of the Board, and subject to paragraph B. above, the Executive Committee shall have and exercise all of the powers of the Board.
2. No Contractor, Technical, Manufacturer/Supplier Branch shall have more than two of its members sitting or elected to the Executive Committee. At least two of the elected members of the Executive Committee shall be contractor members.

8.02. STANDING COMMITTEES.

- A. **COMPOSITION.** Except by resolution of the Board of Directors, standing committees shall be chaired by a director, and may be composed of directors or non-directors or both. Except as provided in this section, membership in the standing committees shall be determined by the President, except that all standing committees shall include at least two directors, and the majority of all committees shall be composed of contractor and technical members.
- B. **DESIGNATED STANDING COMMITTEES.** There shall be the following standing committees.
 1. Budget and Finance Committee;
 2. Bylaws Committee;
 3. Nominating Committee
 - a. The Nominating Committee shall be composed of five Past Presidents,

including the immediate two Past Presidents and three other active Past Presidents. The members of the committee shall be chosen by the Past Presidents. If either of the immediate Past Presidents chooses not to serve, then additional Past Presidents still active in CGA shall be selected.

- b. Members of the Nominating Committee shall be selected annually at a meeting of all of the Past Presidents. This meeting shall take place at the fall CGA convention. Only those Past Presidents present at the meeting shall be entitled to participate in the selection process.
 - c. The Nominating Committee shall meet at least once prior to the July CGA Board meeting to discuss and select primary candidates and possible alternates for the various CGA officers. This meeting may be conducted by telephone if desired by the members. Following that meeting, individual members of the Nominating Committee shall contact the primary candidates selected to determine if they wish to serve as CGA officers. If a primary candidate is not interested in serving in that office, then alternates shall be called.
 - d. The Nominating Committee shall then meet again in September to make their final selections for officer nominations. The selections shall be forwarded to the Executive Committee for presentation at the October CGA Board meeting.
4. Membership Committee;
 5. Insurance and Safety Committee;
 6. Convention Committee;
 7. Such other standing committees as the President may designate from time to time.

C. **POWERS OF STANDING COMMITTEES.** The Board may delegate the management of the activities of the corporation to any standing committee, 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.

8.03. MEETINGS AND ACTION OF COMMITTEES. Meetings and action of committees shall be governed by, and held and taken in the same manner as meetings of directors as provided in Article 6, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the Committee. Special meetings of committees may also be called by resolution of the Board of Directors. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records.

8.04. POLITICAL ACTION COMMITTEE. The corporation may have a Political Action Committee, the makeup of which will be determined by majority vote of the Board of Directors.

8.05. BRANCH/DIVISION COMMITTEES. The Executive Committee shall have the right to approve or disapprove of any branch or division organization chart, committee, or the membership composition thereof.

**ARTICLE 9
INDEMNIFICATION OF DIRECTORS, OFFICERS,
EMPLOYEES AND OTHER AGENTS**

9.01. DEFINITIONS. For the purpose of this Article 9:

- A. AGENT. "Agent" means any person who is or was a director, Officer, employee or other agent of this corporation, or is or was serving at the request of this corporation as a director, officer employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise.
- B. PROCEEDING. "Proceeding" means any threatened, pending or completed action or proceedings, whether civil, criminal, partnership, joint venture, trust or other enterprise.
- C. EXPENSES. "Expenses" includes, without limitation, all attorneys' fees, costs and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of the agent's position or relationship as agent and all attorneys' fees, costs and other expenses incurred in establishing a right to indemnification under this Article 9.

9.02. SUCCESSFUL DEFENSE BY AGENT. To the extent that an agent of this corporation has been successful on the merits in the defense of any proceeding referred to in this Article 9, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against such agent, then the provisions of Section 9.03 through 9.05 shall determine whether the agent is entitled to indemnification.

9.03. ACTIONS BROUGHT BY PERSONS OTHER THAN THE CORPORATION.

Except as to those proceedings for which indemnification is prohibited by law, and subject to the required findings to be made pursuant to Section 5, below, this corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding by reason of the fact that such person is or was an agent of this corporation, for all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with the proceeding.

9.04. ACTION BROUGHT BY OR ON BEHALF OF THE CORPORATION.

- A. CLAIMS SETTLED OUT OF COURT. If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of this corporation, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding.
- B. CLAIMS AND SUIT AWARDED AGAINST AGENT. This 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 brought by or on behalf of this corporation by reason of the fact that the person is or was an agent of this corporation, for all expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:

1. The determination of good faith conduct required by Section 9.05, must be made in the manner provided for in that Section 9.05; and
2. The court in which the action was brought determines that, in view of all of the circumstances of the case, the agent should be entitled to indemnity for the expenses incurred and determines the appropriate amount of expenses to be reimbursed.

9.05. DETERMINATION OF AGENTS GOOD FAITH CONDUCT. The indemnification granted to an agent in Sections 9.03 and 9.04 above is conditioned on the following:

- A. **STANDARD OF CONDUCT.** The agent seeking reimbursement must be found, to have acted in good faith, in a manner such person believed to be in the best interest of this corporation, and with such care, including reasonable inquiry, an ordinarily prudent person in a like position would use in similar circumstances. The determination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which the person reasonably believed to be in the best interest of this corporation or that the person had reasonable cause to believe that his conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that the conduct was unlawful.
- B. **MANNER OF DETERMINATION.** The determination that the agent did act in a manner complying with paragraph A. above shall be made by:
 1. The Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to the proceeding, or
 2. The affirmative vote of a majority of the votes represented and voting at a duly held meeting of members at which a quorum is present (which affirmative votes also constitute a majority of the required quorum), or
 3. The court in which the proceeding is or was pending.

9.06. LIMITATIONS. No indemnification or advance shall be made under this Article 9 that is prohibited by California Nonprofit Mutual Benefit Corporation Law.

9.07. ADVANCE OF EXPENSES. Expenses incurred in defending any proceeding may be advanced by this corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article 9.

9.08. CONTRACTUAL RIGHTS OF NON-DIRECTORS AND NON-OFFICERS. Nothing contained in this Article 9 shall affect any right to indemnification to which persons other than directors and officers of this corporation or any subsidiary hereof, may be entitled by contract or otherwise.

9.09. INSURANCE. The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation against any liability other than for violating provisions against self-dealing asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not this corporation would have

the power to indemnify the agent against that liability under the provisions of this Section 9.09.

**ARTICLE 10
RECORDS AND REPORTS**

10.01. MAINTENANCE OF CORPORATE RECORDS. The corporation shall keep all records specified in Section 7.07.

10.02. MEMBERS' INSPECTION RIGHTS.

A. MEMBERSHIP LISTS.

1. Any member of the corporation may inspect and copy the records of members' names and addresses and voting rights during usual business hours on five days' prior written demand on the corporation, stating the purpose for which the inspection rights are requested, or
2. Obtain from the Secretary of the corporation, on written demand and on the tender of the Secretary's usual charges for such a list, if any, a list of names and addresses of members who are entitled to vote for the election of directors and their voting rights, as of the most recent record date for which that list has been compiled, or as of a date specified by the member after the date of demand. The demand shall state the purpose for which the list is requested. This list shall be made available to any such member by the Secretary on or before the later of ten days after the demand is received or the date specified in it as the date by which the list is to be compiled.

B. ACCOUNTS AND MINUTES. Any member of the corporation may inspect the accounting books and records and minutes of the proceedings of the members and the board and committees of the Board, at any reasonable time, for purpose reasonably related to such person's interest as a member.

10.03. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. The corporation shall keep at its principal executive office, or if its principle executive office is not in the State of California, at its principle business office in this state, the original or a copy of the Articles and Bylaws as amended to date, which shall be open to inspection by the members at all reasonable times during office hours.

10.04. INSPECTION BY DIRECTORS. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

10.05. ANNUAL REPORT TO MEMBERS.

A. CONTENTS. Not later than one hundred twenty days after the close of the corporation's fiscal year, the Board shall cause an annual report to be sent to the members. Such report shall contain the following information in reasonable detail:

1. The assets and liabilities including the trust funds, of the corporation as of the end

of the fiscal year.

2. The principal changes in assets and liabilities, including trust funds, during the fiscal year.
3. The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
4. The expenses or disbursements of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.
5. Any information required by Section 10.6.

B. **AUDIT.** The report required by this Section 10.05 shall be accompanied by any report thereon of independent accountants, or if there is no such report, by the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

10.06. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATION. No later than the time the corporation gives its annual report, if any, to the members, and in any event no later than one hundred twenty days after the close of the corporation's fiscal year, the corporation shall prepare and mail or deliver to each member a statement of the amount and circumstances of any transaction in which the corporation was a party and a director or officer had a financial interest or indemnification paid to directors or officers exceeding \$10,000.

ARTICLE 11 CONSTRUCTION AND DEFINITIONS

11.01. CONFLICT WITH LAW. Unless the context requires otherwise, the general provisions, rules of construction and definition in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Any resolution or motion hereafter adopted or carried by this Corporation or committee hereof, which is later found to be contrary to law, shall for all purposes be treated as null and void, and all action taken under any such resolution or motion shall also for all purposes be treated as null and void.

11.02. GENDER AND FORM. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the corporation and a natural person.

ARTICLE 12 AMENDMENTS

12.01 AMENDMENT BY BOARD OF DIRECTORS. Except for provisions dealing with matters which significantly impact members as set forth in the California Corporations Code Section 7150, new Bylaws shall be adopted or these Bylaws shall be amended or repealed by the approval of a majority of the Board of Directors in attendance at a board meeting. All amendments, adoptions and repeals shall be subject to ratification at the next Board meeting.

12.02 RATIFICATION PROCEDURE. Any new bylaws or amendment to or repeal of these

bylaws that may be approved by the majority of the Board of Directors as specified in Section 12.01 shall be forwarded to all member Branches within five days of adoption.

ARTICLE 13 DUES AND FINANCES

13.01. DUES

- A. **MANNER OF ASSESSMENT.** The association shall have annual dues for each member of the Association. The Board of directors shall be empowered to set dues at the first of each calendar year. Installment payments shall only apply to new members, or such other individual members as approved by the Executive Committee.
- B. **BRANCH/DIVISION ASSESSMENTS.** Each Branch or Division is hereby empowered to collect additional fees on a voluntary basis as deemed necessary for the conduct of its business.
- C. **BRANCH /DIVISION REBATES.** A part of these annual dues may be rebated to each Branch or Division based upon number of members and participation of these members at Board and other meetings. The amount of such rebates shall be as fixed, from time to time, by the Board of Directors and may be set in different amounts for each branch or division.

13.02. FINANCES.

- A. **MANNER OF FINANCING.** The activities of the Association shall be financed by the dues of the members and any other revenue producing activities approved by the Board of Directors.
- B. **FISCAL YEAR.** The fiscal year shall be from January 1 to December 31 provided, however, the fiscal year may be changed by the majority vote of the Board of Directors.
- C. **BUDGET.** The corporation shall be operated on a budget plan.

ARTICLE 14 MISCELLANEOUS PROVISIONS

14.01. ORDER OF BUSINESS. Unless otherwise set forth in the notice of the board meeting agenda or the membership meeting agenda as approved by the president and published in advance of the respective meetings, or unless changed by vote of the directors at the board meeting or vote of the general membership at a membership meeting, the order of business at the Board of Directors meeting and membership meetings shall be as follows:

- A. Roll call;
- B. Introduction;
- C. Minutes of previous meetings;
- D. Communications
- E. Reports of officers;
- F. Reports of committees;
- G. Unfinished business
- H. New business;

- I. General discussion;
- J. Guest speaker;
- K. Entertainment; and
- L. Adjournment

14.02. RULES OF CONDUCT. The proceedings of meetings shall be conducted in accordance with Sturgis' Standard Code of Parliamentary Procedure.

14.03. CONVENTION. There shall be an annual convention for all members at a time, date and place determined by the Board of Directors. Notice of the convention shall be sent by the Executive Director, or if there is none, by the Secretary, to each member at least thirty days prior to the convention. All matters pertaining to the form and procedure for conducting the convention shall be determined by the Board of Directors.