

**BY LAWS OF
SALINAS-MONTEREY AGILITY RACING TEAM
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

1. Name

The name of this Corporation is SALINAS-MONTEREY AGILITY RACING TEAM (hereafter “the Corporation”).

2. Offices of the Corporation

The principal office for the transaction of the activities, affairs, and business of the Corporation (principal office) is located at 708 Middlefield Road, Salinas, Monterey County, California 93906. The Board of Directors (Board) may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

3. Purposes and Limitations

(a) General Purposes. The purpose of this Corporation is to engage in any lawful act or activity for which a Corporation may be organized under such law. Such purposes for which this Corporation is formed are pleasure, recreation, and other non-profitable purposes including:

- i. To promote the sport of dog agility, particularly in Monterey County, in the spirit of fun, fellowship, good sportsmanship, and responsible dog ownership without discrimination based on breed or pedigree;
- ii. To support and encourage members’ involvement with and the public’s appreciation for agility-trained dogs and agility competitions by conducting agility exhibitions, practices, clinics, matches, and licensed trials and tests under the rules of sanctioning agility organizations;
- iii. To protect and promote the public good by encouraging responsible dog ownership, good sportsmanship, and the welfare of all dogs whether purebred or not;
- iv. To promote enjoyment, training, cooperation, and sportsmanship among Corporation members, other agility groups, and fellow dog enthusiasts;
- v. In furtherance of these goals, to lease, own, purchase, hold, and maintain real property and other property of any and all kinds in the State of California; and
- vi. To do any and all necessary functions to enhance the purposes of the Corporation, although not heretofore delineated.

(b) Specific Purposes. This Corporation shall conduct dog agility trials in the State of California, guided by the rules and regulations of the United States Dog Agility Association (USDAA) and other nationally recognized agility organizations.

(c) Limitations. This Corporation shall not engage in any activities or exercise any powers that are not in furtherance of the purposes of this Corporation. No part of the net earnings or assets of the Corporation shall inure to the benefit of any member or private shareholder, as defined for purposes of Section 501(c)(4) of the Internal Revenue Code of 1986, as amended. Notwithstanding any requirements or qualifications for membership set forth in these Bylaws, this Corporation shall not discriminate against any person on the basis of gender, sexual orientation, race, color, or religion.

4. Members

(a) Classes and Qualifications. Members of this Corporation are dedicated to the purposes of the Corporation and fall into three classes:

- i. General members are voting members. They participate in Corporation activities and meetings, shall be assessed such dues and fees as the Board may fix, and shall have first priority for such member benefits as the Corporation may offer from time to time.

ii. Associate members are members who wish to support the Corporation but are limited in the time and/or physical activity they can devote to the working activities of the Corporation. They are welcome at (and welcome to assist with) club meetings and activities, but they are not entitled to vote or hold office. They shall be assessed such dues and fees as the Board may fix, and shall have second priority for such member benefits as the Corporation may offer from time to time.

iii. Honorary members – the Board may award honorary membership to persons who are neither supporting members nor active general members, but who have made or are making exceptional contributions to the Corporation. Honorary members will neither vote nor be assessed dues or fees, and they shall have third priority for such member benefits as the Corporation may offer from time to time.

(b) Voting Members. General members shall have the right to vote, as set forth in these Bylaws, on the election of Directors, on the initiation of new general members, on the disposition of all or substantially all of the assets of the Corporation, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the Corporation. In addition, general members shall have all rights afforded members under the California Nonprofit Public Benefit Corporation Law.

(c) Good Standing. Those general members who have paid the required dues, fees, and assessments in accordance with these Bylaws and who are not suspended shall be members in good standing.

(d) Members of Record. A person holding a general membership in good standing on the date of any action required or permitted to be taken by the general members, or on the date required for notice to be given of any proposed meeting, shall be a member of record.

(e) Application for Membership. A candidate for membership shall apply for membership on a form approved by the Board of Directors; this form shall provide that the candidate agrees to abide by these Bylaws. Accompanying the application, the candidate shall submit payment of membership fees and dues for the current year. All applications are to be filed with the Secretary, and each application is to be reviewed and accepted by a simple majority vote of the Board of Directors. New members who pay dues by October 1 shall be considered paid in full for the following calendar year.

(f) Termination of Membership. A membership shall terminate on occurrence of any of the following events:

- i. Resignation of the member;
- ii. Failure of a member to pay dues, fees, or assessments as set by the Board by January 1 of each calendar year, or as otherwise required by the Board;
- iii. Expulsion of the member under Section 4 (h) of these Bylaws, based on a good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation.

(g) Suspension of Membership. A member may be suspended, or a potential member may be rejected, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination under section (h) (ii) below, that the member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation. The Board shall determine the period of suspension, and a person whose membership is suspended shall not be a member during the period of suspension.

(h) Procedure for Expulsion or Suspension. If grounds appear to exist for expulsion or suspension of a member under Sections 4 (f) and 4 (g) of these Bylaws, the procedure set forth shall be followed:

- i. Any member (“Petitioner”) can allege in writing charges against another member (“Respondent”) for alleged misconduct prejudicial to the best interests of the Corporation. Written charges must be stated with

particularity and specificity and must be filed with the Secretary together with a fee of \$25.00, which shall be forfeited if the charges are not subsequently substantiated by the Board. The Secretary shall promptly transmit a copy of the written charges to each member of the Board and to the Respondent.

ii. If either the Petitioner or the Respondent is a member of the Board of Directors, the other members of the Board shall immediately appoint a disciplinary committee consisting of three (3) members. No member of the Board may serve on such a committee. The disciplinary committee shall carry out the specific duties of the Board described in this Article.

iii. The Board may dismiss the charges if a majority of the Board considers that the allegations, if proven, would not constitute conduct prejudicial to the best interests of the Corporation. If, after due consideration, the Board determines that the allegations, if proven, would constitute prejudicial conduct, the Board shall investigate the allegations. The investigation shall include interviews with the Petitioner and the Respondent by the Board. If the Board entertains jurisdiction of the charges, it shall fix a date for deliberation on the charges not less than three weeks nor more than six weeks after initial notification of charges by the Secretary.

iv. No later than six weeks after initial notification of charges, the Board shall convene a special Board meeting to consider the evidence and to deliberate on the charges. The Board may sustain any or all of the charges only by a majority vote of the Board members present. Upon sustaining any charge, the Board shall impose an appropriate sanction, which may range from censure, to suspension from the Corporation and from all Corporation activities for a period of time, to expulsion. The Board's findings and decision shall be immediately written and filed with the Secretary. The Secretary shall send a copy of the Board's findings and decision to the membership, irrespective of whether the charges are dismissed or sustained.

v. If any or all of the charges are sustained, the Respondent has the right to appear before the membership at a subsequent Corporation meeting (not to exceed 6 months after the date of the decision) and ask that the Board's decision be overruled. At that meeting, the President shall read the charges and the Board's finding, decision, and sanction if any, and shall invite the Respondent to speak on his or her own behalf. The members shall vote by secret written ballot on whether to uphold the Board's recommendations. A majority vote of members present at the meeting is required to overrule the Board's decision.

vi. Upon being expelled, the former member is denied any and all privileges of membership and may not participate in the activities of the Corporation, such as attendance at trials, practices, demonstrations, or similar Corporation functions.

5. Dues, Fees, and Assessments

Each member, general and associate, must pay, within the time and on the conditions set by the Board, the dues, fees, and assessments in amounts to be fixed from time to time by the Board and approved by the voting members. The Board may establish a membership fee to be paid by candidates for membership with the submission of their applications for membership.

6. Meetings of Members

(a) Place of Meeting. Meetings of the members shall be held at any place within or outside California designated by the Board or by written consent of all persons entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, members' meetings shall be held at the Corporation's principal office.

(b) Annual Meeting. An annual meeting of the members shall be held on the second Saturday of December of each year at 7:00 o'clock p.m., unless the Board fixes another date or time and so notifies the members as provided in Section 6 (d)(iii) of these Bylaws. At this meeting, Directors shall be elected and any other proper business may

be transacted, subject to Sections 6 and 8 of these Bylaws. Other meetings of the members may be held from time to time during the year as designated by the Board.

(c) Special Meetings. A special meeting of the members for any lawful purpose may be called at any time by the Board, or by the President, or by five (5) percent or more of the general members. A special meeting called by any person (other than the Board or the President) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the President, Vice President, or Secretary of the Corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with Section 6 (d) of these Bylaws, stating that a meeting will be held at a specified time and date fixed by the Board, provided however, that the meeting date shall be at least 15 but no more than 90 days after receipt of the request. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of the members may be held when the meeting is called by the Board. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

(d) Notice Requirements for Members' Meetings.

i. Whenever members are required or permitted to take any action at a meeting, written notice of the meeting shall be given to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting. For a special meeting, the notice shall also specify the general nature of the business to be transacted, and note that no other business may be transacted. For the annual meeting, the notice shall specify those matters that the Board, at the time notice is given, intends to present for action by the members, but except as provided in Section 6 (d)(ii) of these Bylaws, any proper matter may be presented at the meeting. The notice of any meeting at which Directors are to be elected shall include the names of all persons who are nominees when notice is given.

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

- removing a Director without cause;
- filling vacancies on the Board;
- amending the Articles of Incorporation;
- approving a contract or transaction between the Corporation and one or more Directors, or between and any entity in which a Director has a material financial interest;
- electing to wind up and dissolve the Corporation; or
- approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class or classes as specified in the Articles or Bylaws, when the Corporation is in the process of winding up.

iii. Notice of any meeting of members shall be in writing and shall be given at least 15 but no more than 90 days before the meeting date. The notice shall be given either personally or by first-class, registered, or certified mail, or by other means of written communication such as email, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member appearing on the books of the Corporation or at the address given by the member to the Corporation for purposes of notice. If no address appears on the Corporation's books and no address has been so given, notice shall be deemed to be given if either notice is sent to that member by first-class mail or other written communication to the Corporation's principal office, or 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 mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the Secretary, assistant Secretary, or any transfer agent of the Corporation, and if so executed, shall be filed and maintained in the Corporation's minute book.

(e) Quorum. A minimum of ten percent (10%) of the general membership or seven (7) general members, whichever is greater, including no less than two (2) officers of the Corporation, shall constitute a quorum for the transaction of business at any meeting of the members. The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the number of members required to constitute a quorum.

(f) Adjournment and Notice of Adjourned Meeting. Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members present at the meeting. No meeting may be adjourned for more than forty-five (45) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting.

(g) Voting. Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, members entitled to vote at any meeting of members shall be general members in good standing as of the date on which the meeting is held. Voting may be by voice or by ballot, except that any election of Directors must be by ballot if demanded by any member at the meeting before the voting begins. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number or voting by classes is required by the California Nonprofit Public Benefit Corporation Law or by the Articles of Incorporation.

(h) Voting by Proxy. Voting by proxy is prohibited.

7. Officers and Directors

The corporate powers of this Corporation shall be vested in the Board of Directors consisting of the President, Vice President, Secretary, Treasurer, and three (3) Directors elected by the general membership as provided in these Bylaws. All shall be general members in good standing of the Corporation.

(a) The President.

- i. The President shall preside over all meetings of the members and the Board of Directors.
- ii. The President may call special meetings of the Board of Directors.
- iii. The President shall direct the affairs of the Corporation, subject to approval and ratification of the Board of Directors.

(b) The Vice President.

- i. The Vice President shall perform the duties of the President during his or her absence or resignation, and shall assist the President in the performance of his or her duties.
- ii. Subject to approval of the Board of Directors, the President may appoint the Vice President to additional nonelected offices or committee chairs that might otherwise be vacant.

(c) The Secretary.

- i. The Secretary shall keep a record of the proceedings of the Board of Directors and the meetings of the general membership.
- ii. The Secretary shall publish and mail, or arrange for the publication and mailing, of all notices required by these Bylaws or by law, and shall be responsible for all other official correspondence of the Corporation.
- iii. The Secretary shall keep a roster of the names and addresses of all members of the Corporation.

iv. The Secretary shall send to every prospective member a membership application and a copy of the Bylaws and shall distribute completed membership applications to the Board of Directors.

(d) The Treasurer.

- i. The Treasurer shall serve as the chief financial officer of the Corporation.
- ii. The Treasurer shall collect and receive all money due or belonging to the Corporation and shall give receipts.
- iii. The Treasurer shall deposit, in the name of the Corporation, all money received in a place or places of deposit designated by the Board of Directors.
- iv. The Treasurer shall pay the duly incurred debts and bills of the Corporation; shall upon receipt of proper documentation reimburse members of the Corporation who have advanced funds on behalf of the Corporation; and shall pay out any money ordered to be paid by the Board of Directors.
- v. The Treasurer shall maintain updated and complete records, which shall be open to inspection by any general member at any reasonable time.
- vi. The Treasurer shall be prepared to report to the Board of Directors at each regular meeting on the condition of the finances of the Corporation. The Treasurer shall prepare an "Annual Report," as required in Section 17 below. The Board of Directors may order an audit of the Treasurer's accounts at any time, and shall do so at least every other year, as soon as practical following the annual meeting of the Corporation.

(e) Additional Directors. Three additional Directors shall assist the officers in supervising all officers, agents, and employees, and ensure that their duties are properly performed. The President of the Corporation shall serve as the chairman of the Board of Directors.

8. Election of Officers and Directors

(a) Terms. Directors shall be elected to staggered two-year terms:

- i. The President, Secretary, and two additional Directors shall be elected for two-year terms beginning January 1 of even-numbered years (one of these Directors shall be the outgoing President);
- ii. The Vice-President, Treasurer, and one additional Director shall be elected for two-year terms beginning January 1 of odd-numbered years.

These officers and Directors shall be elected by ballot at the annual meeting of the members and shall serve for two years or until their successors are elected. The outgoing President shall automatically become one of the three Directors, provided that in the event that the outgoing President declines to serve, an additional Director shall be elected. Terms of office shall begin immediately after election.

(b) Nominations. The Officers and Directors shall be nominated in the following manner:

- i. During the month of September each year, the President shall appoint a three-person Nominating Committee to select qualified candidates for election to the Board and to the various officer positions. The Secretary shall notify all Corporation members as to the membership of the Nominating Committee and invite them to submit nominations to the Nominating Committee.
- ii. The committee shall nominate at least one (1) candidate for each office and Director's position. No person may be nominated for more than one position.
- iii. In October, the Nominating Committee shall submit a written report to the Secretary, and the Secretary shall send a notification letter to each nominee as soon as possible thereafter. Each nominee shall notify the Secretary in writing of his/her acceptance or refusal of the nomination within 10 days of the date of the Secretary's notification letter. After the 10 day period, the Secretary will notify the chairperson of the Nominating Committee of the nominees' decisions.
- iv. If at any point subsequent to the Nominating Committee's report no nominee remains for an office, it shall be the duty of the Board of Directors to nominate a candidate for the position.
- v. The Secretary shall publish a list of the nominees and send it to all general members as soon as possible after the Secretary confirms the acceptance by each nominee of his or her nomination, but no later than November 15 of each year.

- vi. At the annual meeting of the Corporation, any general member may make a nomination from the floor for any of the elected offices or Directors' positions.
- vii. Nominations cannot be made in any other manner than as provided in this section.

(b) Absentee voting. Absentee voting by active members who are eligible to vote at a Corporation election shall be permitted. Absentee ballots for an election will be available from the Secretary no later than seven (7) days prior to the election. The completed ballot must be sealed by the voting member and returned to the Secretary prior to the opening of the election. The ballot shall be opened only by the inspectors of election assigned to count the ballots at the election.

(c) Election. Election ballots shall be counted at the annual meeting by two inspectors of election who are not candidates on the ballot and who are chosen by the members present at the meeting. The nominated candidate receiving the greatest number of votes of general members present at the annual meeting for each office shall be declared elected and shall take office immediately. Each outgoing officer shall within thirty days of the election turn over to his or her successor in office all properties and records relating to that office. In the case of a tie, members shall vote on the tied candidates until the tie is broken.

9. Corporate Powers

(a) Management. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations in the Articles of Incorporation and Bylaws regarding actions that require the approval of the members, the Corporation's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the direction of the Board of Directors.

(b) Powers. Subject to the above limitations, the Board of Directors shall have the power to:

- i. Appoint and remove at the pleasure of the Board all the Corporation's officers, agents, and employees, other than the President, Vice President, Secretary, and Treasurer, and prescribe powers and duties for them that are consistent with the law, the Articles of Incorporation, and these Bylaws.
- ii. Change the principal office of the Corporation in California from one location to another.
- iii. Adopt and use a corporate seal;
- iv. Call special meetings of the membership;
- v. Conduct the general business of the Corporation not otherwise provided in these Bylaws, consistent with law and the Corporation's purposes and limitations;
- vi. Borrow money and incur indebtedness on behalf of and binding upon the Corporation, so long as the terms and amounts of any indebtedness are entered into the minutes of the Board and signed by the President and Secretary of the Corporation.

(c) Overriding actions. Any action of the Board, except an action binding the Corporation to repay an indebtedness, may be over-ridden by a two-thirds (2/3) vote of all the general members in good standing.

(d) Quorum. Four (4) members of the Board of Directors, of which at least one (1) must be an elected officer, shall constitute a quorum for the transaction of business by the Board of Directors.

10. Directors' Meetings

(a) Place of Meetings. Meetings of the Board may be held at any place within California that has been designated by resolution of the Board or in the notice of the meeting, or, if not so designated, at the principal office of the Corporation.

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

(c) Other Regular Meetings. Other regular meetings of the Board may be held from time to time without notice to the general membership at a time and place fixed by the Board.

(d) Special Meetings. Special meetings may be called at any time by the President or the Secretary or any two Directors. Notice of any special meeting must be given to every officer and Director at least 48 hours before the time set for the meeting by any reasonable method that is most likely to ensure that the intended recipient receives actual notice of the special meeting.

(e) Action Without a Meeting. Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Corporation.

11. Vacancies

As vacancies occur on the Board of Directors, the remaining Directors and officers may immediately appoint an individual from the general membership to fill that vacancy. The appointment must be ratified by a majority of the members present at the next regular meeting. The newly-appointed officer or Director shall serve until the next annual meeting.

12. Impeachment of Officers

(a) An officer can at any time, for neglect or violation of duty, be removed by a two-thirds vote of the members present at a Corporation meeting, provided that (1) the charges are filed with the Secretary or other Director of the Corporation at the preceding Corporation meeting, and (2) that the members present at the Corporation meeting constitute at least 25% of the general membership.

(b) Charges shall be in writing and can be filed by any member of the Corporation.

(c) The Secretary or other Director shall give notice to the membership of the pending impeachment proceedings at least three weeks before the Corporation meeting at which the said impeachment proceedings will be heard. At the same time, the Secretary shall send a copy of the charges to the person charged.

13. Committees

The Board may create committees of the general membership to carry out the functions of the Corporation, subject to the Board's approval. The President shall have the authority to name the chairperson of each committee. The President shall be an ex-officio member of each committee, except the Nominating Committee.

14. Indemnification

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

(b) Approval of Indemnity. On written request to the Board of any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in the Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors and/or officers who are parties to the

proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting of the general members. At that meeting, the members shall determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the general members present at the meeting shall authorize indemnification.

(c) Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Sections 14(a) and (b) of these Bylaws in defending any proceeding covered by those sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

15. Insurance

The Corporation shall have the obligation to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees, and other agents, against any liability asserted against or incurred by any officer, Director, employee, or agent in such capacity or arising out of the officer's, Director's, employee's, or agent's status as such.

16. Records and Papers

(a) The Corporation shall keep:

- i. Adequate and correct books and records of account;
- ii. Written minutes of the proceedings of its members, Board, and committees of the Board; and,
- iii. A record of each member's name, address, and class of membership.

(b) All such records and papers shall be available and subject to inspection and copying by any member of the Board of Directors or any general member or the Director or general member's agent or attorney, upon request, at any reasonable time and place, and if the purpose for inspection and copying is reasonably related to the general member's interest as a member of the Corporation.

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

(d) The Corporation shall keep at its principal office the original or a copy of the Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection by the members at all reasonable times.

17. Fiscal Year and Annual Report

(a) The fiscal year shall end on the last day of December.

(b) The Treasurer shall prepare an annual report within 120 days after the end of the Corporation's fiscal year. That report shall contain the following information in appropriate detail:

- i. A balance sheet as of the end of the fiscal year, an income statement, a statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by the certificate of the Treasurer that they were prepared without audit from the books and records of the Corporation.
- ii. A statement of the place where the names and addresses of the current members are located.
- iii. Any information that is required by Section 18 below.

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

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

18. Annual Statement of Certain Transactions and Indemnifications

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

(a) Unless approved by members under Section 7233(a) of the California Corporations Code, any transaction (1) to which the Corporation was a party, (2) which involved more than \$50,000 or was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (3) in which either of the following interested persons had a direct or indirect material financial interest (a mere common Directorship is not a material financial interest):

i. Any Director or officer of the Corporation;

ii. Any holder of more than 10 percent of the voting power of the Corporation.

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

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

19. Construction and Definitions

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine and feminine genders include the masculine, feminine, and neuter; the singular includes the plural and the plural includes the singular; and the term "person" includes both a legal entity and a natural person.

20. Amendments

These Bylaws may be altered, amended or repealed, in whole or in part as follows:

(a) The proposed amendment must be presented and discussed at a regular or special general membership meeting.

(b) Thirty (30) days written notice of the proposed amendment is sent to the membership along with a designated meeting date for voting on the amendment.

(c) For the proposed amendment to pass, it must be approved by a two-thirds (2/3) vote of the general members present at the Corporation meeting at which the amendment is presented and discussed, provided that the members present at the meeting constitute at least 25% of the general membership.

21. Order of Business and Rules of Order

(a) The order of business of all meetings of the Corporation and of the Board of Directors shall be as follows:

- Call to order and member sign-in
- Introduction of new members and guests
- Reading of minutes and correspondence
- Reports of Officers and Committees
- Membership readings and election of new members
- Unfinished business
- New business
- Election of officers (at annual meeting)
- Adjournment

(b) The above order of business may be altered or suspended at any meeting by the majority of the members present.

(c) All order of business not otherwise provided for in this Bylaw shall be governed by the procedures set forth in Roberts Rules of Order.

(d) Any questions as to the interpretation of these Bylaws may be resolved by a majority vote of the general members present at any regular meeting.

22. Dissolution

(a) Procedure for Dissolution. The Corporation may be dissolved at any time with the written consent of not less than two thirds (2/3) of the general members in good standing, at a meeting duly called and noticed for that purpose.

(b) Distribution of Assets. On the winding up or dissolution of this Corporation, after paying or adequately providing for all Corporation debts, obligations, and liabilities, the Corporation’s remaining assets shall in accordance with the California Nonprofit Public Benefit Corporation Law be distributed to such organization (or organizations) that meet the following criteria:

- i. It shall be organized and operated for pleasure, recreation, the promotion of social welfare through the amateur sport of dog agility;
- ii. It shall have established its tax-exempt status under Section 501(c)(3) or Section 501(c)(4) of the Internal Revenue Code of 1986, as amended; and
- iii. It shall have established its tax-exempt status under Section 23701d of the California Revenue and Taxation Code (or the corresponding provision of any future California revenue and tax law).

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of SALINAS-MONTEREY AGILITY RACING TEAM, a California nonprofit public benefit Corporation, and that the above Bylaws, consisting of ___pages, are the Bylaws of this Corporation as approved by the membership and Board of Directors on _____, and that they have not been amended or modified since that date.

Executed on _____, at _____, California.

Secretary