

Bylaws
of the
SANTA CRUZ MOUNTAINS ART CENTER
A California Nonprofit Public Benefit Corporation

Article 1
OFFICES

Section 1. PRINCIPAL OFFICE

The principal office of the corporation for the transaction of its business is located in Santa Cruz County, California.

Section 2. CHANGE OF ADDRESS

The county of the corporation’s principal office can be changed only by amendment of these Bylaws and not otherwise. The Board of Directors may, however, change principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these Bylaws:

_____	Dated: _____ . 20__
_____	Dated: _____ . 20__
_____	Dated: _____ . 20__
_____	Dated: _____ . 20__

Section s. OTHER OFFICES

The corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the Board of Directors may, from time to time, designate.

Article 2 PURPOSES

Section 1. OBJECTIVES AND PURPOSES

The primary objectives and purposes of this corporation shall be:

The Santa Cruz Mountains Art Center supports and encourages art through education, exhibitions and cultural activities.

Article 3 MEMBERS

Section 1. Any person evidencing a genuine interest in or willingness to contribute time and effort towards furthering the primary purpose of this corporation is eligible for membership.

Section 2. Applicants shall be admitted to membership upon payment of annual dues.

Section 3. The corporation shall have three (3) types of membership.

a. Associate Membership: Individuals have one vote for board elections. This entitles members access to resources and networks, receive the newsletter and announcements of events, qualify for inclusion in membership shows and workshops and discounts on some Art Center sponsored events. Special rates are available for households, not to exceed two (2) voting memberships.

b. Sustaining Membership: Offers individuals, businesses and organizations the opportunity to play a role in the future of the arts in the Santa Cruz Mountains. Members have one vote for board elections, receive the newsletter and invitations to Art Center events.

c. Contributing Membership: Members receive the newsletter and announcements of Art Center events.

Section 4. The Board shall have the power to set dues.

Section 5. There is no limit on the number of members the corporation may admit.

Section 6. The corporation shall keep a record of membership containing the name and address of each member, which shall be updated annually. Such records shall be kept at the corporation's principal office and shall be available for inspection by any other Director or member of this corporation upon reasonable notice.

Section 7. No member of this corporation shall be personally liable for debts, liabilities or obligations of the corporation.

Section 8. A membership in this corporation is non-transferable and non-assignable.

Section 9. The membership of any member of the corporation shall terminate (1) on his/her written request for such termination delivered to the Director or Secretary of the corporation personally or by United States mail. (2) Upon failure to pay such dues as may be assessed when they become due. In the case of unpaid dues, a member shall not terminate for non-payment of such dues until thirty (30) days have expired from the date of giving such notice. (3) Upon his/her death. (4) Upon expulsion for reasonable cause as determined by a majority vote of the members present at the general or special meeting of the membership where the issue is introduced.

Article 4 MEETING OF MEMBERS

Section 1. Meetings of the members shall be at the principal office of the corporation or at such other place or places within or without the State of California as may be designated by resolution of the Board of Directors.

Section 2. The members shall meet annually at the call of the Board of Directors, beginning with the year 1997. The regular meeting of each calendar year shall be known as the annual meeting. At such annual meetings, reports of the affairs of the corporation shall be considered and any other business may be transacted which is within the powers of the members. At such annual meetings, Directors shall be elected. If the election of Directors is not held at the annual meeting, the Board of Directors shall cause the election to be held as soon thereafter as possible.

Section 3. Special meetings of members shall be called by any three (3) Directors of the corporation, and held at such times and places within the State of California as may be ordered by a resolution of the Board of Directors or by voting members holding not less than 10% of the voting power of the corporation.

Section 4. Written notice of the place, day and hour of the meeting and, in the case of special meetings, the general nature of business to be transacted, shall be delivered personally or sent by United States mail, postage prepaid, to each voting member at least seven days prior to such meeting.

Section 5. A quorum shall consist of 10% of the voting members present in person or by proxy, and all transactions of any meetings of members, if a quorum, as herein defined, are valid. All written waivers, consents or approvals shall be filed with the corporate records or made part of the minutes of the meeting.

Section 6. Whenever the Law, the Articles of Incorporation of this corporation, or these Bylaws authorize members to give their written assent or consent to action of the corporation in lieu of attending and voting at such duly held meetings, such written consents may be given by and shall be accepted from persons who are members as evidenced by the books of the corporation at the time such consents are given. Any member giving a written consent or proxy may revoke the consent or proxy prior to the time that written consents of the number required to authorize the proposed action have been filed with the Secretary of the corporation, but not do so thereafter.

Section 7. (a) Each member with voting rights is entitled to one vote on matters submitted to a vote of members. Voting at duly held meetings shall be by voice vote, except as otherwise expressly provided in these Bylaws. (b) Notwithstanding the provisions of paragraph (a) above, any vote, including the election of Directors, may be conducted by mail in such manner as the Board shall determine.

Section 8. (a) Meetings of members shall be presided over by the Chairperson, the Co-chairperson or, in the absence of both, by a person chosen by a majority of the members present. The Secretary of the corporation shall act as Secretary at all meetings of members, providing that in her/his absence the presiding officer shall appoint another person to act as recording Secretary of the meeting. (b) Meetings shall be governed by Roberts Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this corporation or with the laws of California.

Article 5 DIRECTORS

Section 1. NUMBER

The corporation shall have a number of Directors elected from the Membership and will consist of up to eleven (11), and collectively they shall be known as the Board of Directors.

Section 2. POWERS

This corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors. These powers are subject to the provisions of the California Nonprofit Public Benefit Corporation law, and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation.

Section 3. DUTIES

It shall be the duty of the Directors to:

(a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws;

(b) Appoint and remove, employ and discharge the Executive Director(s), and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the corporation;

(c) Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly;

(d) Meet at such times and places required by these Bylaws;

(e) Register their addresses with the Secretary of the corporation and notices of meetings mailed or telecommunicated to them at such addresses shall be valid notice thereof.

Section 4. TERMS OF OFFICE

Each Director shall be elected for a two-year term. Directors may succeed themselves. Terms will be staggered so that elections are held in both even and odd numbered years. Initially, determination of which members will be selected for one-year terms and which will be selected for two-year terms will be managed by lottery. This lottery will occur at the first Board meeting. The initial incorporators will appoint Directors to serve on the first Board.

Absence from three (3) or more consecutive Board meetings or five (5) Board meetings in any one year could constitute de facto removal of members. The secretary will track Board member attendance and notify any member whose lack of attendance meets these criteria. The Board is instructed to be vigilant regarding attendance of members.

Section 5. COMPENSATION

Directors shall serve without compensation.

Section 6. RESTRICTIONS REGARDING INTERESTED DIRECTORS

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For purposes of this Section, "interested persons," means either:

(a) Any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor or otherwise, excluding any reasonable compensation paid to a Director as Director; or

(b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, daughter-in-law, mother-in-law or father-in-law of any such person.

No board member shall engage in a self-dealing transaction. A self-dealing transaction is a transaction to which this corporation is a party and in which one or more of its Directors has a

material financial interest, unless the transaction comes within California Corporations Code, Section 5233(b).

Section 7. PLACE OF MEETINGS

Meetings shall be held at the principal office of the corporation unless otherwise provided by the Board or at such place within or without the State of California, which has been designated from time to time by resolution of the Board of Directors. In the absence of such designation, any meeting not held at the principal office of the corporation shall be valid only if held on the written consent of a majority of Directors given either before or after the meeting and filed with the Secretary of the corporation, or after all the Board members have been given written notice of the meeting as hereinafter provided for special meetings of the Board.

Section 8. MEETINGS

Regular meetings of Board of Directors will convene at least six (6) times a year on a bimonthly basis. Members are encouraged to be present. Notification of meetings shall be made available to members seven (7) days in advance and shall specify the day, place and hour of the meeting. The purpose of the meeting need not be specified in the notice.

Directors may participate in a meeting through use of any communications equipment so long as all Directors participating in such a meeting can communicate with one another. Participation in a meeting pursuant to this section constitutes presence in person at such a meeting.

Section 9. SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by any three (3) Directors, and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation.

Section 10. QUORUM FOR MEETINGS

A quorum shall consist of one-half plus one of the number of filled Director positions.

Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as defined, is not present. The only motion which the Chair shall entertain at such meeting is a motion to adjourn. However, a majority of the Directors present at such a meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board.

When a meeting is adjourned for lack of a quorum, the Board Members will be notified of the subsequent meeting at least seven (7) days prior to the meeting.

The Directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Directors from the meeting.

Section 11. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum, as defined in Article 3, Section 13 above, is present is the act of the Board of Directors. All acts of the Board must be in compliance with the Articles of Incorporation or Bylaws of Corporation Law. In particular the Board must comply with those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233) and indemnification of Directors (Section 5238e), that require a greater percentage or different voting rules for approval of a matter by the Board.

Section 12 CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by: 1) the Chairperson of the Board, 2) or, if no such person has been so designated or, in the Chairperson's absence, by the Co-Chairperson of the corporation 3) or, of the Directors present at the meeting. The Secretary of the corporation shall act as secretary of all meetings of the Board. In the absence of the Secretary, the presiding officer shall appoint another person to act as recording Secretary of the meeting.

Section 13 ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. For the purposes of this Section only, "all members of the Board" shall not include any "interested Director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law.

Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of the Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the Bylaws of this corporation authorize the Directors to so act. Such written statement shall be evidence of such authority.

Section 14 VACANCIES

Vacancies on the Board of directors shall exist (1) on the death, resignation or removal by the majority vote of the members, and (2) whenever the number of authorized Directors is increased. A vacancy shall be deemed to exist on the Board if the actual number of Directors is less than the authorized number for any reason.

Any Director may resign effective upon giving written notice to the Chairperson of the Board or the Secretary, unless the notice specifies a later time for the effectiveness of such resignation. No Director may resign if the corporation would then be left without a duly elected Director or Directors in the charge of its affairs, except upon notice of the Attorney General.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the Board of Directors or until the person's death, resignation or removal from office.

Section 15. NON-LIABILITY OF DIRECTORS

A Director shall perform the duties of Director, including duties as a member of any Board or committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like situation would use under similar circumstances. Directors shall not be personally liable for debts, liabilities or other obligations of the corporation.

Section 16. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

A person who is, or was, a Director, officer, employee or other agent of this corporation who has been successful in defense of any civil, criminal, administrative or investigative proceeding shall be indemnified against expenses actually and reasonably incurred in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against the person, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation. Indemnification will be only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

Section 17. INSURANCE FOR CORPORATE AGENTS

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a Director, officer, employee or other agent of the corporation) against any liability. This indemnification against liability does not apply to any violation of provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) if asserted against or incurred by the agent in such capacity or arising out of the agent's status as such. The agent of the corporation would not be indemnified whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

Article 6 OFFICERS

Section 1. NUMBER OF OFFICERS

The officers of the corporation shall be a Chairperson, a Co-Chairperson, a Secretary and a Treasurer. The corporation may also have other officers, as determined by the Board of Directors. Any number of offices may be held by the same person except that neither the Secretary nor the treasurer may serve as the Chairperson of the Board.

Section 2. QUALIFICATION, ELECTION AND TERM ON OFFICE

Officers shall be elected by the Board of Directors following the election by the membership. Each officer shall hold office until the officer resigns or is removed, or until the officer's successor shall be elected and qualified, whichever comes first.

Section 3. SUBORDINATE OFFICERS

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority and perform such duties as may be prescribed from time to time by the Board of Directors.

Section 4. REMOVAL AND RESIGNATION

Any appointed officer may be removed, either with or without cause, by the Board of Directors, at any time. The Board may declare vacant the office of a Director who has missed 3 consecutive Board meetings or 5 meetings in a calendar year.

An officer may resign at any time by giving written notice to the Board of Directors or to the Chairperson or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

Section 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of Chairperson, such vacancy may be filled temporarily by appointment by the Chairperson until such time as an election shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

Section 6. DUTIES OF CHAIRPERSON

In the absence of an Executive Director(s), the Chairperson shall be the chief executive officer of the corporation. The Chairperson, subject to the control of the Board of Directors, shall supervise and control the affairs of the corporation and the activities of the officers. The Chairperson shall perform all duties incident to the Chairperson's office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors.

The Chairperson or the Co-Chairperson shall preside at all meetings of the Board of Directors. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, the Chairperson shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks or other instruments which may from time to time be authorized by the Board of Directors.

Section 7. DUTIES OF EXECUTIVE DIRECTOR

The Executive Director shall function as the general manager of the corporation, and shall manage the corporation in administering the conduct of its business. The Executive Director shall be responsible to and governed by the Board of Directors and shall be hired by the corporation as an at will employee. The Executive Director shall report to and advise the Board on all significant matters of the corporation's business, and shall see that all orders and resolutions of the Board are carried into effect.

The Executive Director shall be empowered to act, speak for, or otherwise represent the corporation between meetings of the Board within the boundaries of policies and purposes established by the Board and as set forth in the Articles of Incorporation and Bylaws. The Executive Director shall be responsible for the hiring and firing of all personnel other than officers elected by the Board. The Executive Director shall be responsible for keeping the Board informed at all times of staff performance as related to program objectives, and for implementing any personnel policies adopted by the Board. The Executive Director shall be responsible for fund raising for the corporation.

The Executive Director is authorized to contract, receive, deposit, disburse and account for funds of the corporation in fulfillment of the corporation's objectives. In the name of the corporation, the Executive Director shall execute all bonds, contracts, deeds, leases and other written instruments authored either generally or specifically by the Board to be executed by the corporation. The Executive Director shall negotiate all material business transactions of the corporation.

Section 8. DUTIES OF CO-CHAIRPERSON

In the absence of the Chairperson, or in the event of the Chairperson's inability or refusal to act, the Co-Chairperson shall perform all the duties of the Chairperson. When so acting the Co-Chairperson shall have all the powers of, and be subject to all the restrictions on, the Chairperson. The Co-Chairperson shall have other powers and perform such other duties as may

be prescribed by law, by the Articles of Incorporation or by these Bylaws, or as may be prescribed by the Board of Directors.

Section 9. DUTIES OF SECRETARY

The Secretary shall:

Certify and keep at the principal office of the corporation the original or a copy of these Bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation or at such other place as the Board may determine, 1) a book of all meetings of the Directors, and 2) if applicable, meetings of committees of Directors and of members, 3) recording therein the time and place of holding of such meetings whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

Track member attendance at Board meetings and notify Director(s) when attendance invokes or threatens to invoke de facto removal.

Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all duly executed documents, the executions of which on behalf of the corporation under its seal is authorized by law or by these Bylaws.

Exhibit at all reasonable times to any Director of the corporation, or to the Secretary's agent or attorney, on request therefore, the Bylaws and the minutes of the proceedings of the Directors of the corporation.

In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by the bylaws or which may be signed to the Secretary from time to time by the Board of Directors.

Section 10. DUTIES OF TREASURER

Subject to the provision of these Bylaws relating to the "Execution of Instruments, Deposits and Funds", the Treasurer shall:

Have charge and custody of, and be responsible for, all funds and securities of the corporation. The treasurer shall deposit all such funds in the name of the corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper accounts of its assets, liabilities, receipts, disbursements, gains and losses.

Exhibit at all reasonable times the books of account and financial records to any Director of the corporation, or to the Treasurer's agent or attorney, on request therefore.

Render to the Chairperson and Directors, whenever requested an account of any or all of the Treasurer's transactions as treasurer and of the financial condition of the corporation.

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by these Bylaws, or which may be assigned to the Treasurer from time to time by the Board of Directors.

Article 7 COMMITTEES

Section 1. EXECUTIVE COMMITTEE

The Board of Directors may, by a majority vote of Directors, designate three (3) or more of its members to constitute an Executive Committee. The Board may delegate to such Committee any of the powers authority of the Board in the management of the business and affairs of the corporation, except with respect to:

- (a) The approval of any action which, under law or the provisions of these Bylaws, requires the approval of the members or a majority of all of the members.
- (b) The filling of vacancies on the Board or on any committee which has the authority of the Board.
- (c) The fixing of compensation of the Directors for serving on the Board or on any committee.
- (d) The amendment or repeal of Articles, Bylaws or the adoption of new Bylaws.
- (e) The amendment or repeal or any resolution of the Board by which its express terms is not so amendable by or repealable.
- (f) The appointment of committees of the Board or the members thereof.
- (g) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected.

(h) The approval of any transaction to which this corporation is a party and in which one or more of the Directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its members then in office, the Board may at any time revoke or modify any or all of the authority so delegated, increase or decrease but not below three (3) the number of its members, and fill vacancies therein from the members of the Board. The Committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

Section 2. OTHER COMMITTEES

The corporation shall have such other committees as may from time to time be designated by resolution of the Board of Directors. Within the resolution, the Board may designate whether committee members can include non-Board members and any other instructions for the committee. Such other committees may consist of persons who are not also members of the Board. These additional committees shall act in an advisory capacity only to the Board and shall be clearly titled as “advisory” committees.

All committees shall keep regular minutes of their proceedings, cause them to be filed with the corporate records, and report the same to the Board from time to time as the Board may require.

Section 3. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors. Changes in the context of such Bylaw provisions may be made as are necessary to substitute the committee and its members for the Board of Directors and its members. The time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of committees may also be fixed by the Board of Directors. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

Article 8

EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

Section 1. EXECUTION OF INSTRUMENTS

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have

any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 2. CHECKS AND NOTES

Checks, drafts, promissory notes, orders for payment of money and other evidence of indebtedness of the corporation shall be signed by the Treasurer and countersigned by the Chairperson of the corporation. In the absence of either of these two parties, the Co-Chairperson and the Secretary may sign. Exceptions may be made as specifically determined by resolution of the Board of Directors, or as otherwise required by law.

Section 3. DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. GIFTS

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, grant or other devise for the charitable or public purposes of this corporation.

Article 9 CORPORATE RECORDS, REPORTS AND SEAL

Section 1. EXECUTION OF INSTRUMENTS

The corporation shall keep at its principal office in the state of California:

- (a) Minutes of all meetings of Directors, committees of the Board and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given and the names of those present and the proceedings thereof;
- (b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- (c) A copy of the corporation's Articles of Incorporation and Bylaws as amended to date.

Section 2. CORPORATE SEAL

The Board of Directors may adopt, use and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 3. DIRECTORS' INSPECTION RIGHTS

Every Director and member shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation.

Section 4. RIGHT TO COPY AND MAKE EXTRACTS

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

Section 5. ANNUAL REPORT

The Board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the corporation's fiscal year to all Directors of the corporation. This report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, during the fiscal year;
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;
- (e) Any information required by Section 6 of this Article.

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

Section 6. ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS TO MEMBERS

This corporation shall mail or deliver to all Directors and any and all members a statement within one hundred and twenty (120) days after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction of the following kind:

- (a) Any transaction in which the corporation, or its parent or its subsidiary, was a party, and in which either of the following had a direct or indirect material financial interest:

(1) Any Director or officer of the corporation, or its parent or subsidiary (a mere common Directorship shall not be considered a material financial interest).

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than FIFTY THOUSAND DOLLARS (\$50,000) or which was one of a number of transactions with the same persons involving, in the aggregate, more than FIFTY THOUSAND DOLLARS (\$50,000).

Similarly, the statement need only be provided with respect to indemnifications or advances aggregating more than TEN THOUSAND DOLLARS (\$10,000) paid during the previous fiscal year to any Director on officer. No such statement needs be made if such indemnification was approved by the members pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

Any statement required by this section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction and, where practical, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

Article 10 FISCAL YEAR

Section 1. FISCAL YEAR OF THE CORPORATION

The fiscal year of the corporation shall begin on the first day of January and end on the last day of December in each year.

Article 11 AMENDMENT OF BYLAWS

Section 1. AMENDMENT

These Bylaws may be adopted, amended, or replaced by the vote of a majority of the voting members present at a meeting duly held at which a quorum is present. Such action is authorized only at a duly called and held meeting of the Board of Directors for which written notice of such meeting, setting for the proposed bylaw revisions with explanation therefore, is given in accordance with these Bylaws, unless such notice is waived in accordance with these Bylaws.

Proposed amendments to these Bylaws shall be submitted in writing to the members at least one week in advance of the membership meeting at which they will be considered for adoption. The vote of a majority of the voting members present at meeting shall be required to adopt a bylaw amendment.

Article 12

AMENDMENT OF ARTICLES

Section 1. AMENDMENT OF ARTICLES

Subject to any provision of law applicable to the amendment of the Articles of Incorporation of public benefit nonprofit corporations, the Articles of Incorporation may be altered, amended, or repealed and new Articles adopted by approval of a majority of voting members present at an announced meeting.

Article 13

PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

Section 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No member, Director, officer, employee or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation. However, this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors. No such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. All members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.

Section 2. LOANS

This corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer or staff person.

WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS

We, the undersigned, are all of the persons named as the initial incorporators in the Articles of Incorporation of the Santa Cruz Mountains Art Center, a California nonprofit corporation, and, pursuant to the authority granted to the Directors by these Bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the forgoing Bylaws, consisting of 22 pages, as the Bylaws of this corporation.

Dated: May 29, 1997

Laurie Hennig, Initial Incorporator
Ann Turner, Initial Incorporator
Shirlee Byrd, Initial Incorporator
Christine Moorhead, Initial Incorporator
Michael Dunn, Initial Incorporator
Ann Wise, Initial Incorporator
Mary Lanctot, Initial Incorporator
Breda Voss, Initial Incorporator
Dawn Wagner, Initial Incorporator
Steve Lanctot, Initial Incorporator
Daniel Hennig, Initial Incorporator
Sandra Bradshaw, Initial Incorporator