BYLAWS

OF

FOREST LANDOWNERS OF CALIFORNIA,

a California Nonprofit Mutual Benefit Corporation

ARTICLE I

OFFICES

Section 1.1 Principal Office. This corporation's principal office shall be fixed and located as determined by Board resolution and shall be noted by the Secretary on these Bylaws opposite this Section.

Section 1.2 Other Offices. The Board of Directors (the "Board") may establish branch or subordinate offices any place or places where this corporation is qualified to conduct its activities.

ARTICLE II

PURPOSES

Section 2.1 Purposes. The purpose of this corporation is to promote the common business interest of private owners of forestlands in California. In furtherance of this general purpose, the corporation shall conduct activities directed to the improvement of business conditions for forest landowners.

ARTICLE III

MEMBERSHIP

Section 3.1 Classes and Qualifications of Membership. This corporation shall have three classes of members, designated as Active, Associate-Director, and Family. Any person who subscribes to, and supports, the purposes of the corporation and meets the qualifications provided herein shall be eligible for membership on approval of the membership application by the Board and on timely payment of such dues and fees as the Board may fix from time to time.

(a) Active. An active member is an individual or legal entity that is a private, nonindustrial forest landowner in California. A nonindustrial forest landowner does not mill or process forest products for other forest owners. An industrial forest landowner may be considered for active membership as approved by the Board. Any legal entity shall designate a natural individual to represent that entity as a member.

(b) Associate-Director. An associate-director member is an associate member who also serves as a director of this corporation. No more than five (5) associate members may serve as a director of this corporation at any time.

(c) Family. A family member is a dues-paying member of the family of an active member.

Section 3.2 Rights of Membership. Each member described in Section 3.1 of these Bylaws shall have the right to one vote, as set forth in these Bylaws on the election of directors, on the disposition of all or substantially all of the corporation's assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, those members shall have all the rights afforded members under the California Nonprofit Mutual Benefit Corporation Law.

Section 3.3 Nonvoting "Members". This corporation shall have four classes of nonvoting members, designated as Associate, Sponsoring, Student, and Emeritus. The corporation may refer to such individuals as "members" even though they are not members within the meaning of Section 5056 of the California Nonprofit Corporation Law and Section 3.1 of these Bylaws and they have none of the rights of "members" provided in these Bylaws. Such class or classes of nonvoting members shall have such rights and obligations as the Board finds appropriate, and all nonvoting memberships shall be revocable at the Board's discretion.

(a) Associate. Associate members are non-forest landowners with an interest in the business of managing timberlands or producing forest products.

(b) Sponsoring. Sponsoring members support the goals of the corporation.

(c) Student. A student member is enrolled in a forestry or related curriculum at an accredited college or university.

(d) Emeritus. Emeritus members are nominated and approved for membership by the Board.

Section 3.4 Membership Dues, Fees, and Assessments. Each member and nonvoting member 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. The dues, fees, and assessments shall be equal for all members of each class, but the Board may, in its discretion, set different dues, fees, and assessments for each class. Annual dues are to be levied on all members and non-emeritus nonvoting members scaled against timbered acreage in an amount established and approved, on or before December 1 of each year, to be paid by January 31 of the following year, unless otherwise determined by the Board.

Section 3.5 Members in Good Standing. 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.

Section 3.6 Termination of Membership. A membership shall terminate on occurrence of any of the following events:

(a) Resignation of the member;

(b) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;

(c) The member's failure to pay dues, fees, or assessments as set by the Board within ninety (90) days after they are due and payable;

(d) Any event that renders the member ineligible for membership, or failure to satisfy the membership qualifications; or

(e) Termination of membership under Section 3.8 of these Bylaws based on the 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 corporation's purposes and interests.

Section 3.7 Suspension of Membership. A member may be suspended, under Section 3.8 of these Bylaws, based on the 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 corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the corporation's purposes and interests.

Section 3.8 Procedures for Termination or Suspension of Membership. If grounds appear to exist for suspending or terminating a member under Sections 3.6 or 3.7 of these Bylaws, the following procedure shall be followed:

(a) The Board shall give the member at least 15 days' prior notice of the proposed suspension or termination and the reasons for the proposed suspension or termination. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the corporation's records.

(b) The member shall be given an opportunity to be heard, either orally or in writing, at least five days before the effective date of the proposed suspension or termination. The hearing shall be held, or the written statement considered, by the Board or by a committee or person authorized by the Board to determine whether the suspension or termination should occur.

(c) The Board, committee, or person shall decide whether the member shall be suspended or terminated in any way. The decision of the Board, committee, or person shall be final.

(d) Any action challenging a suspension or termination of membership, including a claim alleging defective notice, must be commenced within one year after the date of the suspension or termination.

Section 3.9 Transfer of Membership. No membership or any right arising from membership shall be transferred. All rights of membership cease on the member's death, suspension, termination, or legal entity dissolution.

ARTICLE IV

MEETINGS OF THE MEMBERS

Section 4.1 Place Of Meeting. Meetings of the members shall be held at any place within or outside the State of California that has been designated from time to time by the Board or by the written consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of such designation, regular meetings shall be held at the principal office of this corporation. The Board may authorize members who are not present in person to participate by electronic transmission or electronic video communication.

(a) If authorized by the Board in its sole discretion, and subject to the requirements of consent in Section 10.9(a)(2) of these Bylaws and any additional guidelines and procedures the Board may adopt, members not physically present in person at a meeting of members may, by electronic transmission by and to the corporation or by electronic video screen communication, participate in a meeting of members, be deemed present in person, and vote at a meeting of members whether that meeting is to be held at a designated place or in whole or in part by means of electronic transmission by and to the corporation or by electronic video screen communication, subject to the requirements of these Bylaws.

(b) A meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the corporation or by electronic video screen communication (1) if the corporation implements reasonable measures to provide members in person a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (2) if any member votes or takes other action at the meeting by means of electronic transmission to the corporation or electronic video screen communication, a record of that vote or action is maintained by the corporation. Any request by a corporation to a member pursuant to Section 10.9(a)(2) of these Bylaws for consent to conduct a meeting of members by electronic transmission by and to the corporation shall include a notice that absent consent of the member pursuant to Section 10.9(a)(2), the meeting shall be held at a physical location in accordance with this Section 4.1 of these Bylaws.

Section 4.2 Annual Meeting. The annual membership meeting of the corporation shall be held annually on a date and at a location designated by the Board. At the annual meeting, directors shall be elected and other proper business may be transacted.

Section 4.3 Special Meetings.

(a) Special meetings of the members may be called at any time by the Board, the President, or five percent or more of the members.

(b) A special meeting called by any person 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 or the Secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, under Section 4.4 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 35 but no more than 90 days after receipt of the request. If the notice is not given within 20 days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board.

(c) No business shall be conducted at such meeting other than the business that was set forth in the notice of the meeting.

Section 4.4 Notice. Whenever members are required or permitted to take any action at a meeting, a 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, and the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate in the meeting. For the annual meeting, the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. 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.

(a) Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

(1) Removing a director without cause;

(2) Filling vacancies on the Board;

(3) Amending the Articles of Incorporation (the "Articles");

(4) Electing to wind up and dissolve the corporation;

(5) Approving a contract or transaction between the corporation and one or more directors, or between the corporation and any entity in which a director has a material financial interest; or

(6) 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.

(b) Notice of any meeting of members shall be in writing and shall be given at least 10 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, charges prepaid, and shall be addressed to each member entitled to vote, at the address of that member as it appears on the books of the corporation or at the address given by the member to the corporation for purposes of notice.

(c) Notice given by electronic transmission by the corporation shall be valid only if consistent with Section 10.9(a) and (b) of these Bylaws.

(d) 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.

Section 4.5 Quorum. 10 percent of the voting power shall constitute a quorum for the transaction of business at any meeting of members. If, however, the attendance at any general or annual meeting is less than one-third of the voting power, the members may vote only on matters as to which notice of their general nature was given under Section 4.4 of these Bylaws. Except as otherwise required by law, the Articles, or these Bylaws, 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 members required to constitute a quorum.

Section 4.6 Voting. Subject to the California Nonprofit Mutual Benefit Corporation Law, members in good standing on the record date as determined under Section 4.10 of these Bylaws shall be entitled to vote at any meeting of members.

(a) Voting may be by voice or by ballot, except that any election of directors must be by ballot if demanded before the voting begins by any member at the meeting.

(b) Each member entitled to vote may cast one vote on each matter submitted to a vote of the members.

(c) If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Mutual Benefit Corporation Law or by the Articles.

Section 4.7 Waiver of Notice. The transactions of any meetings of members, however called or notice and wherever held, shall be as valid as though taken at a meeting duly held after standard call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each member entitled to vote, not present in person, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of the meeting except that, if action is taken or proposed to be taken for approval of any matter specified in Section 4.4(a) of these Bylaws, the waiver of notice, consent, or approval, 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.

A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

Section 4.8 Actions By Written Ballot. Any action, except the election of directors, that members may take at any meeting of members may also be taken without a meeting by complying with the following provisions:

(a) This corporation shall distribute one written ballot to each member entitled to vote on the matter. The ballot and any related material may be sent by electronic transmission that meets the requirements of Section 4.4(c) of these Bylaws. All solicitations of votes by written ballot shall (a) state the number of responses needed to meet the quorum requirement; (b) state, with respect to ballots other than for election of directors, the percentage of approvals necessary to pass the measure or measures; and (c) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (a) set forth the proposed action; (b) give the members an opportunity to specify approval or disapproval of each proposal; and (c) provide a reasonable time in which to return the ballot to the corporation. If the corporation has 100 or more members, any written ballot distributed to ten or more members shall provide that, subject to reasonable specified conditions, if the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification. In any election of directors, a written ballot that a member marks "withhold," or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a director.

(b) Approval by written ballot shall be valid only when (i) the number of votes cast by ballot (including ballots that are marked "withhold" or otherwise indicate that authority to vote is withheld) within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (ii) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

(c) A written ballot may not be revoked.

(d) All written ballots shall be filed with the Secretary of the corporation and maintained in the corporate records for at least seven (7) years.

Section 4.9 Record Date for Notice, Voting, Written Ballots, and Other Board Actions. For purposes of establishing the members entitled to receive notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights in any lawful action, the Board may, in advance, fix a record date. The record date so fixed for –

(a) Sending notice of a meeting shall be no more than 90 days nor less than 10 days before the date of the meeting;

(b) Voting at a meeting shall be not more than 60 days before the date of the meeting;

(c) Voting by written ballot shall be no more than 60 days before the day on which the first written ballot is mailed or solicited; and

(d) Taking any other action shall be no more than 60 days before that action.

Section 4.10 Record Date for Actions Not Set By Board. If not otherwise fixed by the Board, the record date for determining members entitled to receive notice of 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. If not otherwise fixed by the Board, the record date for determining members entitled to vote at the meeting shall be the day on which the meeting is held.

If not otherwise fixed by the Board, the record date for determining members entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited.

If not otherwise fixed by the Board, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be the date on which the Board adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later.

For purposes of Sections 4.9 and 4.10 of these Bylaws, a person holding a membership at the close of business on the record date shall be a member of record.

Section 4.11 No Proxies. No member shall have the right to authorize another person or persons to act by proxy with respect to such membership.

Section 4.12 Adjournment. 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 represented at the meeting. No meeting may be adjourned for more than 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 (or the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate) 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.

ARTICLE V

DIRECTORS

Section 5.1 Powers of Directors. Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles and these Bylaws, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of this corporation to any person or persons, management company, or committees however composed, provided that the activities and affairs of this corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. The Board shall supervise all officers, contractors and employees to insure that the objectives of the corporation are carried out as stated in the Articles. The Board shall investigate conflicts of interest and may discipline, expel or terminate any director, with cause, or officer, with or without cause. The Board shall prepare a two-year strategic plan every two years that measures progress biennially. Without prejudice to such general powers, but subject to the same limitations, the Board shall have power to do the following:

(a) Select and remove all officers, agents and employees of this corporation; prescribe powers and duties for them as may not be inconsistent with law, the Articles or these Bylaws; fix their compensation; and require from them security for faithful service.

(b) Conduct, manage and control the affairs and activities of this corporation and make such rules and regulations for these purposes, not inconsistent with law, the Articles or these Bylaws, as the Board deems appropriate.

(c) Borrow money and incur indebtedness on this corporation's behalf, and cause to be executed and delivered for this corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities.

(d) Adopt and use a corporate seal, and alter the form of such seal from time to time as the Board deems appropriate.

Section 5.2 Number and Qualification of Directors. The authorized number of directors shall consist of at least 10 but no more than 20 directors, until changed by amendment to these Bylaws. The exact number of authorized directors shall be fixed, within those limits, by a resolution adopted by the Board. Every director shall be an active member or associate member except for directors emeritus who may be appointed by the Board in recognition of service to the corporation. A director emeritus is invited to attend, participate, but not vote in Board meetings.

Section 5.3 Selection And Term Of Office. The election of directors then takes place by hand count of voting members. Each director shall serve for a term of three years and until a successor director has been elected and qualified or until their earlier resignation or removal. Directors' terms shall be staggered with the intent that about one-third of the Board shall be elected annually.

Section 5.4 Nominations.

(a) The nominating committee reports on nominations for new and renewing directors at the annual membership meeting. After the report, additional nominations for directors shall be solicited from the members. Self-nominations, including by incumbent directors, shall be allowed. Nominees may address the membership for five minutes each.

(b) Members representing 2 percent of the voting power may nominate candidates for directors by petition. The petition must be signed by those members within 11 months preceding the next time directors are to be elected, and delivered to an officer of the corporation. On timely receipt of the petition signed by the required number of members, the Secretary shall cause the names of candidates named on it to be placed on the ballot along with the names of the candidates chosen by the nominating committee.

(c) If more people have been nominated for director than can be elected, no corporate funds may be expended to support a nominee without the Board's authorization.

Section 5.5 Vacancies.

(a) A vacancy or vacancies in the Board shall be deemed to exist in case of (i) the death, resignation or removal of any director; (ii) the declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, or been convicted of a felony, or been found by a final order or judgment of any court to have breached any duty arising under Corporations Code section 7238; (iii) the vote of the members or, if the corporation has fewer than 50 members, the vote of a majority of all members, to remove any director(s); (iv) the increase of the authorized number of directors; or (v) a failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors required to be elected at that meeting.

(b) Except as provided herein, any director may resign by giving written notice to the President or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If the resignation is effective at a later time, the Board may elect a successor before such time, to take office as of the date when the resignation becomes effective.

(c) Any director may be removed, with or without cause, by the approval of the members at a special meeting called for that purpose, provided that notice of that meeting and of the removal questions are given as provided in Section 4.4, or at a regular meeting. Any vacancy caused by the removal of a director shall be filled as provided in Section 5.5(d). Any director who does not attend three successive board meetings will automatically be removed from the Board without board resolution unless (i) the director requests a leave of absence for a limited period of time, and the leave is approved by the directors at a regular or special meeting (if such leave is granted, the number of directors will be reduced by one in determining whether a quorum is or is not present); (ii) the director suffers from an illness or disability that prevents him or her from attending meetings and the Board by resolution waives the automatic removal procedure of this subsection. The Board by resolution of the majority of directors must agree before a director who has missed three successive meetings may be reinstated.

(d) Except for a vacancy created by the removal of a director by the members, vacancies in the Board may be filled by a majority of the remaining directors, although less than a quorum, or by a sole remaining director. Each director so selected shall hold office until the expiration of the term of the replaced director and until a successor has been selected and qualified. The members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors.

(e) No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of the director's term of office.

Section 5.6 Rights Of Inspection. Each director of this corporation 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 this corporation. The inspection may be made in person or by the director’s agent or attorney.

Section 5.7 Fees and Compensation. Directors may receive such compensation, if any, for their services as directors or officers or members of Board committees, and such reimbursement of expenses, as the Board may establish by resolution to be just and reasonable as to the corporation at the time that the resolution is adopted.

ARTICLE VI

MEETINGS OF THE BOARD

Section 6.1 Place Of Meeting. Meetings of the Board shall be held at any place within or outside the State of California that has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal office of this corporation.

Section 6.2 Annual Meetings. Immediately after each annual meeting of members, the Board shall hold an annual meeting for the purpose of electing officers, approving the budget, and transacting other business.

Section 6.3 Regular Meetings. Regular meetings of the Board, including the annual meeting, shall be held quarterly without call or notice on such dates and at such times as may be fixed from time to time by the Board or by these Bylaws. A list of action items, organized by an assigned director or committee, shall be kept and reviewed at each quarterly meeting. All members may attend any regular meeting of the Board, except when the Board enters into closed session at its own discretion, and are encouraged to attend the annual Board meeting.

Section 6.4 Special Meetings.

(a) Special meetings of the Board for any purpose or purposes may be called at any time by the President or by any officer upon the written request of five or more directors.

(b) Notice of the time and place of special meetings shall be given to each director by (i) personal delivery of written notice; (ii) first-class mail, postage prepaid; (iii) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the director or to a person at the director’s office who would reasonably be expected to communicate that notice promptly to the director; (iv) facsimile; (v) electronic mail; or (vi) other electronic means. Any such notice shall be addressed or delivered to each director at such director's address as it is shown upon the records of this corporation or as may have been given to this corporation by the director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. Notice by electronic mail or other electronic means shall be valid only if consistent with Section 10.9(a) and (b) of these Bylaws

(c) Notice of a special meeting sent by first-class mail shall be deposited in the United States mails at least four days before the time set for the meeting. Notice of a special meeting given personally or by telephone, facsimile, electronic mail or other similar means of communication, shall be delivered, telephoned, or otherwise sent, as appropriate, at least 48 hours before the time set for the meeting.

(d) Notice of a special meeting shall state the time of the meeting and the place, if the place is other than the corporation's principal office. The notice shall specify the general purpose of the meeting but other actions unrelated to the general purpose may be taken.

Section 6.5 Quorum. A quorum for the transaction of business at a Board meeting shall be a simple majority of the directors currently holding office. No quorum is required to adjourn a meeting. Except as otherwise provided herein or in the California Corporations Code, 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. 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 such meeting.

Section 6.6 Voting. Each director present shall be entitled to one vote on each matter placed before a meeting. At an annual meeting, the directors whose terms are expiring may be reelected, and, until the election of their successors, shall be entitled to vote upon all matters, including the election of their successors.

Section 6.7 Participation In Meetings By Conference Telephone. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another.

Section 6.8 Waiver Of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes of the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 6.9 Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall consent in writing to such action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board.

Section 6.10 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting of the board to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

ARTICLE VII

COMMITTEES

Section 7.1 Board Committees. The Board, by resolution adopted by a majority of the directors then in office, may create one or more committees, each consisting of two or more directors and no one who is not a director, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the directors then in office. The Board may appoint one or more directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the Board, to the extent provided in the Board resolution, except with respect to:

(a) The approval of any action for which the California Nonprofit Mutual Benefit Corporation Law also requires approval of the members or approval of a majority of all members;

(b) The filling of vacancies on the Board or on any committee of the Board;

(c) The fixing of compensation of the directors for serving on the Board or any committee;

(d) The amendment or repeal of bylaws or the adoption of new bylaws;

(e) The amendment or repeal of any resolution of the Board that, by its express terms, is not so amendable or repealable;

(f) The creation of other committees of the Board or appointment of members to any committee of the Board;

(g) The expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected; or

(h) With respect to any assets held in charitable trust, the approval of any contract or transaction between this corporation and one or more of its directors or between this corporation and an entity in which one or more of its directors have a material financial interest, subject to the approval provisions of Corporations Code section 5233(d)(3).

Section 7.2 Non-Board and Advisory Committees. The Board may from time to time appoint non-Board and advisory committees as deemed appropriate, consisting of one or more directors and/or persons who are not directors, but such committees shall not be deemed committees of the Board and shall not exercise any powers of the Board.

Section 7.3 Executive Committee. The executive committee is a Board committee that shall recommend operational, administrative and business practices for approval by the Board. The executive committee shall be chaired by the President and include the Vice President(s), Secretary, Treasurer and immediate past President; provided, however, that the immediate past President will not be a voting members of the executive committee if he or she is no longer a director. The executive director shall report to the executive committee and operate within the constraints of the Board-approved operations plan.

Section 7.4 Audit Committee. The independent audit committee shall conduct an annual audit and report its findings first to the Board and then to the membership at the annual meeting.

Section 7.5 Government Relations Committee. The government relations committee shall recommend political, social and regulatory actions (including the possible establishment and operation of a political action committee) to the Board.

Section 7.6 Nominating Committee. The nominating committee shall recruit and recommend officers, consultants, executive director(s) and service providers to the Board. The nominating committee shall make an annual report to the membership and make recommendations for new and renewing directors for election by the voting membership.

Section 7.7 Other Standing Committees. This corporation may also have as standing committees: a membership committee, a finance/major donors committee, an education committee, a history committee, a communications/newsletter/website committee, and an annual meeting/Field Days committee.

Section 7.8 Committee Procedures. Each committee (except the audit committee and any non-board and advisory committees not specifically described herein) shall meet at least once prior to each regular board meeting, either in person, by teleconference, or by electronic medium. Each such committee shall prepare an annual business plan to execute its responsibilities under these Bylaws, the operational plan and the strategic plan. Each standing committee described herein shall be chaired by a chairperson and provide the Board with a written or oral report of actions and issues at each regular Board meeting and annual membership meeting. The Board shall have the power to prescribe the manner in which proceedings of any committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of Article VI of these Bylaws applicable to meetings and actions of the Board. Minutes shall be kept of each meeting of each committee described herein.

ARTICLE VIII

OFFICERS

Section 8.1 Officers. The officers of the corporation shall be the President, Vice-President, Secretary and Treasurer. Only active or associate-director members who are current directors shall be eligible to be officers. This corporation may also have, at the discretion of the Board, a Second Vice President and such other officers as may be elected or appointed in accordance with the provisions of Section 8.3 of these Bylaws. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve concurrently as President. Officers serve at the pleasure of the Board.

Section 8.2 Election. The officers of this corporation, except such officers as may be elected or appointed in accordance with the provisions of Section 8.3 or Section 8.5 of these Bylaws, shall be chosen by the Board at its annual meeting, and shall hold their respective offices (i) for a term of two years and until their respective successors shall be elected, or (ii) until their earlier resignation, removal, or other disqualification from service.

Section 8.3 Subordinate Officers. The Board may elect, and may empower the President to appoint, such other officers as the business of this corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as provided in these Bylaws or as the Board may from time to time determine. Such subordinate officers may include an Assistant Secretary, who shall have all the powers and duties of the Secretary in the event of the Secretary's absence or disability, and an Assistant Treasurer, who shall have all the powers and duties of the Treasurer in the event of the Treasurer's absence or disability.

Section 8.4 Removal And Resignation.

(a) Any officer may be removed, either with or without cause, by the Board at any time or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

(b) Any officer may resign at any time by giving written notice to this corporation, but without prejudice to the rights, if any, of this corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein. Unless specified otherwise in the notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled as it occurs in the manner prescribed in these Bylaws for election or appointment to such office; provided, however, that such selection may be made immediately and need not be made on an annual basis.

Section 8.6 President. The President is the general manager and chief executive officer of this corporation and has, subject to the control of the Board, general supervision, direction and control of the business and officers of this corporation. The President shall preside at all meetings of the Board. The President has the general powers and duties of management usually vested in the office of president and general manager of a corporation and such other powers and duties as may be prescribed by the Board.

Section 8.7 Vice Presidents. In the absence or disability of the President, and subject to any limitations imposed by the Board, the Vice President shall perform all the duties of the President. When so acting, the Vice President shall have all the powers of, and be subject to all the restrictions upon, the President. The Second Vice President, if there shall be such officer, shall act in place of the Vice President in the absence or disability of the Vice President. The Vice President and Second Vice President (if any) shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board.

Section 8.8 Secretary. The Secretary shall attend all meetings of the Board and shall keep, or cause to be kept, at the principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings and actions of the Board and its committees and of members. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was regular or special, and if special, how it was authorized; the notice given; the names of the persons present at Board and committee meetings, the number of members present or represented at members' meetings, and the proceedings thereof. Minutes of each meeting of the Board and of the members shall be approved by the Board and retained for seven years before being transferred to a history committee for historical preservation. The Secretary shall keep, or cause to be kept, at the principal office in the State of California the original or a copy of this corporation's Articles and Bylaws, as amended to date. The Secretary shall keep, or cause to be kept, at the principal office in the State of California or at a place determined by resolution of the Board, a record of the corporation's members, showing each member's name, address, and class of membership, if applicable. The Secretary shall give, or cause to be given, notice of all meetings of the members, the Board and any committees thereof required by these Bylaws or by law to be given. The Secretary shall supervise preparation of an annual report that is communicated to the membership at the annual meeting. The Secretary shall maintain all nonfinancial records and the seal of this corporation, if any, and shall also have such other powers and duties as may from time to time be assigned to him or her by the Board, or the President.

Section 8.9 Treasurer. The Treasurer is the chief financial officer of this corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account. The Treasurer shall send, or cause to be sent, to the members and directors such financial statements and reports as are required to be sent by law, by these Bylaws, or by the Board. The Treasurer (a) shall deposit, or cause to be deposited, this corporation's funds and other valuables in the name and to the credit of this corporation with such depositaries as may be designated by the Board; (b) shall disburse, or cause to be disbursed, the funds of this corporation as may be ordered by the Board, taking proper vouchers for such disbursements; (c) shall render to the President and the Board, whenever requested, an account of all transactions as Treasurer and of the financial condition of this corporation; and (d) shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 8.10 Duties May Be Delegated. In case of the absence of any officer of this corporation, or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, all or part of the powers or duties of such officer to any other officer or to any director.

ARTICLE IX

INDEMNIFICATION

Section 9.1 Definitions. For the purposes of this Article IX, "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, or was a director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of this corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Sections 9.4 or 9.5(b) of these Bylaws.

Section 9.2 Indemnification in Actions by Third Parties. This corporation shall, to the maximum extent permissible under applicable law, indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of this corporation to procure a judgment in its favor, an action brought under Corporations Code section 5233 made applicable pursuant to Section 7238, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust), by reason of the fact that such person is or was an agent of this corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of this corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 9.3 Indemnification in Actions by or in the Right of this Corporation. This corporation shall, to the maximum extent permissible under applicable law, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of this corporation, or brought under Corporations Code section 5233 made applicable pursuant to Section 7238, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of this corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of this corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 9.3:

(a) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to this corporation in the performance of such person's duty to this corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

Section 9.4 Indemnification Against Expenses. To the extent that an agent of this corporation has been successful on the merits in defense of any proceeding referred to in Section 9.2 or 9.3 of these Bylaws or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 9.5 Required Determination. Except as provided in Section 9.4 of these Bylaws, any indemnification under this Article IX shall be made by this corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 9.2 or 9.3 of these Bylaws by:

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

(b) Approval of the members, with the persons to be indemnified not being entitled to vote thereon; or

(c) The court in which such proceeding is or was pending upon application made by this corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by this corporation.

Section 9.6 Advance of Expenses. Expenses incurred by a person seeking indemnification under this Article IX in defending any proceeding covered by Article IX may be advanced by this corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article IX.

Section 9.7 Other Indemnification. No provision made by this corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles, these Bylaws, a resolution of members or directors, an agreement, or otherwise, shall be valid unless consistent with this Article IX. Nothing contained in this Article IX shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 9.8 Forms of Indemnification Not Permitted. No indemnification or advance shall be made under this Article IX, except as provided in Section 9.4 or 9.5(b) of these Bylaws, in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the Articles, these Bylaws, a resolution of the members, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9.9 Insurance. This corporation shall have the power to purchase and maintain insurance on behalf of any agent of this corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not this corporation would have the power to indemnify the agent against such liability under the provisions of this Article IX.

Section 9.10 Nonapplicability to Fiduciaries of Employee Benefit Plans. This Article IX does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of this corporation as defined in Section 9.1 of these Bylaws. This corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

ARTICLE X

OTHER PROVISIONS

Section 10.1 Maintenance of Corporate Records. This corporation shall keep the following:

(a) Adequate and correct books and records of account;

(b) Minutes of the proceedings of its members, Board, and committees of the Board; and

(c) A record of each member’s name, address, and class of membership.

The minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the two.

Section 10.2 Members’ Rights of Inspection.

(a) Unless the corporation provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

(1) Inspect and copy the records containing members' names, addresses, and voting rights during usual business hours on five days' prior written demand on the corporation, which must state the purpose for which the inspection rights are requested; or

(2) Obtain from the Secretary, on written demand and tender of a reasonable charge, a list of names, addresses, and voting rights of members who are entitled to vote for directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the member. The demand shall state the purpose for which the list is requested. The Secretary shall make this list available to the member on or before the later of ten days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled.

The corporation may, within ten business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons the proposed alternative does not meet the proper purpose of the demand.

If the corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this Section, it may deny the member access to the membership list.

Any inspection and copying under this Section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. This right of inspection extends to the records of any subsidiary of the corporation.

(b) On written demand on the corporation, any member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the members, the Board, and committees of the Board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. This right of inspection extends to the records of any subsidiary of the corporation.

Section 10.3 Maintenance and Inspection of Articles and Bylaws. This corporation shall keep at its principal California office the original or a copy of the Articles and Bylaws, as amended to the current date, which shall be open to inspection by the members at all reasonable times during office hours. If the corporation has no business office in California, the Secretary shall, on the written request of any member, furnish to that member a copy of the Articles and Bylaws, as amended to the current date.

Section 10.4 Amendments.

(a) Subject to the members' rights under Article III of these Bylaws, the Board may adopt, amend, or repeal Bylaws unless doing so would:

(1) Materially and adversely affect the members' rights as to voting, dissolution, redemption, or transfer;

(2) Increase or decrease the number of members authorized in total or for any class;

(3) Effect an exchange, reclassification, or cancellation of all or part of the memberships; or

(4) Authorize a new class of membership.

(b) Without the approval of the members, the Board may not adopt, amend, or repeal any Bylaw that would:

(1) Fix or change the authorized number of directors;

(2) Fix or change the minimum or maximum number of directors;

(3) Change from a fixed number of directors to a variable number of directors or vice versa;

(4) Increase or extend the terms of directors;

(5) Allow any director to hold office by designation or selection rather than by election by the members;

(6) Increase the quorum for members' meetings;

(7) Repeal, restrict, create, expand, or otherwise change proxy rights; or

(8) Authorize cumulative voting.

(c) If any provision of these Bylaws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

(d) New Bylaws may be adopted or these Bylaws may be amended or repealed by approval of the members; provided, however, that any such adoption, amendment, or repeal also requires approval by the members of a class if that action would:

(1) Materially and adversely affect the rights, privileges, preferences, restrictions, or conditions of that class as to voting, dissolution,

redemption, or transfer in a manner different than the action affects another class;

(2) Materially and adversely affect that class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of another class;

(3) Increase or decrease the number of memberships authorized for that class;

(4) Increase the number of memberships authorized for another class;

(5) Effect an exchange, reclassification, or cancellation of all or part of the memberships of that class; or

(6) Authorize a new class of memberships.

(e) Any provision of these Bylaws that requires the vote of a larger proportion of the members than otherwise is required by law may not be altered, amended, or repealed except by vote of that greater number. No amendment may extend a director's term beyond that for which the director was elected.

Section 10.5 Endorsement Of Documents; Contracts. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof executed or entered into between this corporation and any other person, when signed by (a) the President; or (b) any Vice President and the Secretary, any Assistant Secretary, the Treasurer or any Assistant Financial Officer of this corporation shall be valid and binding on this corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind this corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 10.6 Representation Of Shares Of Other Corporations. The President or any other officer or officers authorized by the Board or the President are each authorized to vote, represent and exercise on behalf of this corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority herein granted may be exercised either by any such officer in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officer.

Section 10.7 Contracts with Directors. No director of this corporation nor any other corporation, firm, association or other entity in which one or more of this corporation's directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this corporation, unless (a) the material facts regarding that director's financial interest in such contract or transaction or regarding such common directorship, officership or financial interest are fully disclosed or known to the members and such contract or transaction is approved by the members in good faith, with any membership owned by any interested director not being entitled to vote thereon; or (b) the material facts regarding that director's financial interest in such contract or transaction or regarding such common directorship, officership or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all members of the Board prior to the Board's consideration of such contract or transaction, and such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote of the interested director.

Section 10.8 Electronic Communications.

(a) An electronic transmission by the corporation shall be valid only if:

(1) Delivered by (i) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation; (ii) posting on an electronic message board or network that the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered on the later of the posting or delivery of the separate notice of it; or (iii) other means of electronic communication;

(2) To a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and

(3) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

(b) Notwithstanding the foregoing, an electronic transmission by the corporation to an individual member who is a natural person, and if an officer or director of the corporation, only if communicated to the recipient in that person's capacity as a member shall be authorized only if the consent to the transmission has been preceded by or includes a clear written statement to the recipient as to (i) any right of the recipient to have the record provided or made available on paper or in nonelectronic form; (ii) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the corporation; and (iii) the procedures the recipient must use to withdraw consent.

(c) An electronic transmission to the corporation shall be valid only if:

(1) Delivered by (i) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, which the corporation has provided from time to time to shareholders or members and directors for sending communications to the corporation, (ii) posting on an electronic message board or network which the corporation has designated for those communications, and which transmission shall be validly delivered upon the posting, or (iii) other means of electronic communication;

(2) As to which the corporation has placed in effect reasonable measures to verify that the sender is the member or director purporting to send the transmission; and

(3) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

Section 10.9 Compensation. No member, officer or director of the corporation is entitled to compensation for services except that the Board may authorize reimbursement of expenses reasonably incurred in furtherance of the affairs of the corporation.

Section 10.10 Accounting Year and Financial Statements. The corporation shall operate on a calendar year basis, January 1 through December 31. Financial statements including balance sheets and income statements shall be prepared quarterly using the standards of the Financial Accounting Standards Board. Assets shall be inventoried and recorded annually.

Section 10.11 Annual Budget. An annual operating budget shall be prepared by the Treasurer and approved by the Board at its annual meeting. All budgeted expenditures must be requested and approved in advance by the Treasurer. Unbudgeted expenditures in excess of $1,000 must be approved by the Board and reflected in a revised annual budget.

Section 10.12 Annual Report. The Board shall cause an annual report to be prepared within 120 days after the end of this corporation's fiscal year. The corporation shall notify each member yearly of the member's right to receive an annual report, and upon written request, shall promptly cause the most recent annual report to be sent to a requesting member, except as provided herein. The annual report shall contain the following information, in appropriate detail, for the fiscal year:

(a) A balance sheet as of the end of the fiscal year, an income statement, and a statement of cash flows for the fiscal year, accompanied by an independent accountants' report or, if none, by the certificate of an authorized officer of the corporation that they were prepared without audit from the corporation's books and records;

(b) A statement of the place where the names and addresses of current members are located; and

(c) Any information required by Section 10.13 of these Bylaws.

This Section shall not apply if the corporation receives less than $10,000 in gross revenues or receipts during the fiscal year.

Section 10.13 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, this corporation shall annually prepare and mail, deliver, or send by electronic transmission to its members and furnish to each director a statement of any transaction or indemnification of the following kind within 120 days after the end of this corporation's fiscal year:

(a) Unless approved the members under Corporations Code section 7233(a), any transaction (i) in which this corporation, its parent, or its subsidiary was a party, (ii) in which an "interested person" had a direct or indirect material financial interest and (iii) which involved more than $50,000, or was one of several transactions with the same interested person involving, in the aggregate, more than $50,000. The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to this corporation, the nature of their interest in the transaction and, where practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

For purpose of this Section 10.13(a), an "interested person" is either of the following: (i) any director or officer of this corporation, its parent, or its subsidiary (but mere common directorship shall not be considered such an interest); or (ii) any holder of more than 10 percent of the voting power of this corporation, its parent, or its subsidiary.

(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 under Article IX of these Bylaws, unless the loan, guaranty, indemnification, or advance has already been approved by the members under Corporations Code section 5034, or the loan or guaranty is not subject to Corporations Code section 7235(a).

Section 10.14 Political Action Committee. This corporation may establish a political campaign committee ("PAC") either as an affiliated but separate legal entity or separate segregated fund ("SSF"), in compliance with all applicable laws, including those related to this corporation's tax-exempt status under Section 501(c)(6) of the Internal Revenue Code. Active members may voluntarily contribute to the corporation or its PAC in addition to their annual dues. Nonvoting members and the general public shall not be solicited by the PAC. If the PAC is established as an SSF, revenue generated for the PAC shall be raised and accounted separately from annual dues and other revenues of the corporation; no dues or fees shall be assessed for the PAC. PAC activities and funds shall be used only to further the political and regulatory agenda that support this corporation's purposes, that are approved in advance by the Board, and that are consistent with applicable law.

Section 10.15 Construction And Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. In case of conflict or interpretation, the Articles shall prevail over these Bylaws or any other internal policy.

Amended May 4, 2018 by the Board of Directors
Amended May 8, 2026 by In-Person Vote of FLC Members