



Pacific Art League

OF PALO ALTO

(A California Nonprofit Public Benefit Corporation, With Members)

AMENDED AND RESTATED BYLAWS

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

History of PAL Bylaws

Bylaws of the Pacific Art League of Palo Alto (formerly the Palo Alto Art Club) founded in 1921. The organization was incorporated in 1939 and received nonprofit status on August 12, 1943. These bylaws have been amended and restated several times.

The bylaws as presently stated were adopted as the official bylaws of the Pacific Art League by the Board of Directors at their regular meeting in February 2009. The February 2009 bylaws were amended and restated by a membership decision on August 7, 2015, and further amended and restated by a vote of the Board of Directors on November 15, 2017. They have been registered with the Attorney General of the State of California.

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

Board of Directors as of November 15, 2017: Theo Keet, President, Theresa Peek, Vice President, Dan Kostenbauder, Treasurer, Clifton Poon, Secretary, Robin Scholl, Joy Chase, Glen Rojas, Josephine Shuster, Rebecca White, Hazel Keelan, Kay Culpepper, and Mary Beth McWright.

Board of Directors as of December 15, 2021: Elham Javadi, Paul Barsley, Christine Loreda, Caroline Mustard, Dan Kostenbauder, Lori Shoemaker, Kay Culpepper, Priya Bonthu, Darren Kerr, and Teri Vershel.

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

ARTICLE I NAME

Section 1 Name

The name of the corporation shall be Pacific Art League of Palo Alto (“PAL”).

ARTICLE II OFFICES

Section 1 Offices

The principal office for the transaction of business of PAL shall be located at 668 Ramona Street, Palo Alto, California 94301.

ARTICLE III OBJECTIVES AND DEDICATION OF ASSETS

Section 1 Objectives

The objectives of PAL shall be to give instruction in art; to promote and encourage production, cultivation, exhibition and dissemination of art; to promote camaraderie among artists; to further the development and appreciation of formative and visual arts; to present instructive programs related to the visual arts in different media; and to promote, sponsor and present exhibitions in art at public and private galleries and museums and at other appropriate places. The objectives shall include charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States internal revenue law. Our mission is to provide an environment for advancing the expression, appreciation and enjoyment of the arts.

Section 2 Dedication of Assets

The properties and assets of PAL are irrevocably dedicated to charitable and educational purposes meeting the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code. No part of the net income or assets of the corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member or director of the corporation. On liquidation or dissolution of the corporation, all properties and assets and obligations shall be distributed and paid over to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable and educational purposes meeting the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code, and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

ARTICLE IV NONPARTISAN ACTIVITIES

Section 1 Nonpartisan Activities

PAL shall be nonpartisan. No substantial part of the activities of PAL shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Internal Revenue Code of 1986, as amended (the “**Internal Revenue Code**”), and PAL shall not participate or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office.

ARTICLE V MEMBERS’ MEETINGS AND VOTING RIGHTS

Section 1 Place of Meetings

Meetings of Members shall be held at the principal office of PAL, or at any other place within the County of Santa Clara or San Mateo in the State of California as shall be specified by the Board of Directors in the notice of the meeting.

Section 2 Annual Meeting

The Annual Meeting of the Members of PAL shall be held in November at the time and place fixed by the Board of Directors, including the time when voting for directors shall stop. At such Annual Meeting, Members entitled to vote shall elect directors and may transact such other business as may properly be brought before the meeting.

Section 3 Quorum and Transaction of Business

- (a) At any meeting of the Members, thirty Members shall constitute a quorum.
- (b) If a quorum is present, the affirmative vote of a majority of the Members present shall be the act of the Members, unless the vote of a greater number is required by law. For purposes of the Annual Meeting, ballots submitted in advance of the Annual Meeting by Members shall be treated as though the Member were present for purposes of determining a quorum.
- (c) Voting for directors shall be by secret ballot. Such ballots may be provided and submitted before the time set in the notice of the meeting for the end of voting.
- (d) In the absence of a quorum, no business other than adjournment may be

transacted. **Section 4 Requirements for Notice Regarding Certain**

Transactions

Approval by the Members of any of the following proposals is valid only if the notice of the meeting states the general nature of the proposal or proposals:

- (e) A proposal to approve a transaction within the provisions of California Corporations Code Section 5222 (relating to removal of directors without cause);
- (f) A proposal to approve a transaction within the provisions of California Corporations Code Section 5224 (relating to filling vacancies on the Board of Directors);
- (g) A proposal to sell real estate owned by PAL;

- (d) A proposal to approve a transaction within the provisions of California Corporations Code Section 902 (relating to amending the Articles of Incorporation of the corporation); or
- (e) A proposal to approve a transaction within the provisions of California Corporations Code Section 6610 (relating to winding up and dissolution).

Section 5 Members Entitled to Notice of Annual Meeting and to Vote

- (h) The record date for the purpose of determining the Members entitled to notice of the Annual Meeting of Members shall be September 1.
- (f) The record date for the purpose of determining the Members entitled to vote at the Annual Meeting of Members shall be November 1.
- (g) Members at least eighteen (18) years of age may vote at the Annual Meeting or any Special Meeting of Members.

Section 6 Notice of Meetings and Waiver of Notice

- (i) Except as otherwise may be required by law, notice of each meeting of Members stating the place, day and hour of the meeting shall be given to each Member by the Chair of the Board, the Secretary, the Executive Director or other person charged with such duty, not less than ten (10) days nor more than ninety (90) days before the date of the meeting.
- (h) In the case of the Annual Meeting, such notice shall also state those matters which the Board of Directors intends to present for action by the Members, including the names of all nominees if directors are to be elected at such meeting.
- (i) In the case of a Special Meeting, such notice shall also state the purpose or purposes for which the meeting is called.
- (j) Notice of any meeting of Members may be given either by email, by first class mail, or by telephone, or other written communication as they appear on the books of PAL or as given by such Member to PAL for purposes of notice.
- (k) Whenever notice is required to be given under any provision of the California Corporation Code, the Articles of Incorporation or these bylaws, a written waiver, signed by the Member entitled to notice, or a waiver by electronic transmission by the Member entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting, except when the Member attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Members need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Articles of Incorporation or these bylaws. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 7 Inspectors of Election

Before the Annual Meeting of the Members, the Board of Directors may appoint any persons, other than nominees for office, to act as inspectors of election at the meeting. If no inspectors of election are so appointed, the Chair of the Board may appoint inspectors of election.

The inspectors shall:

- (j) Determine the number of Members, the number of Members represented at the meeting, the existence of a quorum, and the authenticity and validity of written ballots;
- (l) Receive votes and ballots;
- (m) Hear and determine all challenges and questions in any way arising in connection with the right to vote;
- (n) Count and tabulate all votes and ballots;
- (o) Determine the result; and
- (p) Do any other acts that may be proper to conduct the election or vote with fairness to all Members.

Section 8 Special Meetings of Members

- (k) The procedures for Special Meetings of the Members shall be the same as for the Annual Meeting unless otherwise set forth in this Section on Special Meetings of Members.
- (q) A Special Meeting of Members for any purpose or purposes may be called by the Board of Directors, any two (2) members of the Board of Directors, the Chair of the Board of Directors, or five percent or more of the Members. The record date for determining Members entitled to call a Special Meeting is the date the first Member signs the notice of that meeting.
- (r) Only business within the purpose or purposes described in the notice of any Special Meeting of Members may be conducted at such Special Meeting.
- (s) The Board of Directors may fix, in advance, the record date for determining the Members entitled to notice of any Special Meeting of Members. Such record date shall be not more than ninety (90) and not less than ten (10) days before the date of the meeting.
- (t) The Board of Directors may fix, in advance, a date as the record date for determining the Members entitled to vote at a Special Meeting of Members. Such record date shall be not more than sixty (60) days before the date of the meeting.
- (u) After a Special Meeting of Members is called specifying the general nature of the business proposed to be transacted and the Board of Directors has specified the record dates for determining the Members entitled to notice and entitled to vote, the Chair of the Board of Directors, the Secretary, or the Executive Director shall cause notice to be given promptly to the Members entitled to vote stating that a meeting will be held at a specified time and place fixed by the Board of Directors; provided, however, that the meeting date shall be at least thirty-five (35) days but no more than ninety (90) days after receipt of such request. If such notice is not given within thirty-five days after receipt of such request, the person or persons calling the meeting may give notice thereof.

- (g) Nothing contained in this Section shall limit the time or date when a Special Meeting of Members called by action of the Board of Directors may be held.

ARTICLE VI BOARD OF DIRECTORS

Section 1 Powers

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

Section 2 Number of Directors

The authorized number of directors of the corporation shall be not less than a minimum of seven or more than a maximum of fifteen.

Section 3 Nomination and Election of Directors, Term

- (l) The directors shall be elected at the Annual Meeting of the Members. Directors must be Members of PAL.
- (v) Each director elected at an Annual Meeting of Members shall hold office for three years and until a successor has been duly elected and qualified, or until such director's earlier death, resignation or removal. Any director appointed by the Board of Directors shall hold office until the next Annual Meeting of Members.
- (w) To be elected as a director, a candidate must receive votes at least equal to half of the total number of Members voting for directors at the Annual Meeting.
- (x) Subject to the provisions of law and these bylaws, the procedures followed in nominating and electing directors shall be established by the Board of Directors. Such procedures shall include:
 - (1) a reasonable means of nominating persons for election as directors;
 - (2) a reasonable opportunity for a nominee to communicate to the Members the nominee's qualifications and the reason for the nominee's candidacy;
 - (3) a reasonable opportunity for all nominees to solicit votes; and
 - (4) a reasonable opportunity for all Members to choose among the nominees.

Section 4 Resignations

Any director of PAL may resign effective upon giving written or email notice to the Chair of the Board of the Directors or the Secretary of the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation specifies effectiveness at a future time, a

successor may be elected pursuant to Article VI, Section 7 of these bylaws to take office on the date the resignation becomes effective. Notwithstanding the foregoing, except upon notice to the Attorney General of the State of California, no director may resign if such resignation would leave PAL without a duly elected director or directors in charge of its affairs.

Section 5 Removal

- (m) The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or who has been found by a final order or judgment of any court to have breached any duty under Article 3 (commencing with Section 5230) of Part 2 of Division 2 of the California Corporations Code.
- (y) A vote of two-thirds (2/3rds) of the directors then in office may remove any director at any time.
- (z) The entire Board of Directors or any individual director may be removed from office without cause by the affirmative vote of a majority of the Members at a duly held meeting of Members at which a quorum is present.

Section 6 Vacancies

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

Section 7 Limits on Term of Office

Except as hereinafter provided, each director shall hold office for a term of three years beginning with their election at an Annual Meeting.

- (n) No director shall serve for more than six consecutive years plus any part of a year in which they were appointed to the Board of Directors by a vote of the Board of Directors.
- (aa) After serving two (2) consecutive three-year terms or resigning from the Board of Directors, there must be a break of two (2) years before being eligible for re-election to the Board of Directors.
- (bb) For purposes of term limits, a term of service ends when a member's elected term is complete or at the time a member resigns or leaves the Board of Directors for any reason.
- (cc) No Member may be appointed to the Board of Directors by the Board of Directors for more than one (1) year.

Section 8 Director Compensation

Directors shall not receive any compensation for their services as a director, but may be reimbursed for expenses incurred to advance the interests of PAL. A director may serve PAL in any other capacity than as director and receive compensation therefore.

Section 9 Participation by Telephone or Electronic Means

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

Section 10 Regular Meetings

Regular meetings of the Board of Directors shall be held at such times, places and dates as fixed by the Board of Directors. Regular meetings of the Board of Directors held pursuant to this Section may be held without notice.

Section 11 Special Meetings

Special meetings of the Board of Directors for any purpose may be called by the Chair of the Board of Directors, the Secretary of PAL or any two (2) directors.

Section 12 Notice of Meetings

Notice of the date, time and place of all meetings of the Board of Directors, other than regular meetings held pursuant to Article VI, Section 10 of these bylaws, shall be delivered orally, in writing, by telephone, or electronic mail to each director at least forty-eight (48) hours before the meeting, or sent in writing to each director by first-class mail at least four days before the meeting. Such notice may be given by the Secretary or Executive Director of PAL or by the person or persons who called the meeting. Such notice shall set forth the proposed action(s) to be voted upon at such meeting. Notice of any meeting of the Board of Directors need not be given to any director who signs a waiver of notice of such meeting, or a consent to holding the meeting or an approval of the minutes thereof, either before or after the meeting, or who attends the meeting without protesting prior thereto or at its commencement such director's lack of notice. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 13 Place of Meetings

Meetings of the Board of Directors may be held at any place within the State of California.

Section 14 Action by Written Consent without a Meeting

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all directors individually or collectively consent in writing or by email to such action. Such written consents or other records thereof shall be filed with the minutes of the proceedings of the Board of Directors and shall have the same force and effect as a unanimous vote of such directors.

Section 15 Quorum and Transaction of Business

A majority of the then current number of directors shall constitute a quorum for the transaction of business. Every act done or decision made by a majority of the directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors, unless the law, the Articles of Incorporation or these bylaws specifically require a greater number. A meeting at which a quorum is initially present may continue to transact business, notwithstanding withdrawal of directors, if any action taken is approved by at least a majority of the number of directors constituting a quorum of such meeting. In the absence of a quorum at any meeting of the Board of Directors, no action of the Board of Directors may be taken.

Section 16 Organization

The Chair of the Board of the Directors shall preside at meetings of the Board of Directors, if present. If there is no Chair of the Board or if the Chair of the Board is not present, a Chair of the meeting chosen by a majority of the directors present shall act as Chair of the meeting.

The Secretary of PAL or, in the absence of the Secretary, any person appointed by the Chair of the Board shall act as secretary of the meeting.

Section 17 Interested Persons

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

- (o) persons currently being compensated by PAL for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a director as a director; or
- (dd) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any person described in subsection (a) above.

Section 18 Limitations on Action by the Board of Directors

The following actions shall not be taken by the Board of Directors without a vote of the Members authorizing such actions:

- (p) Sale of the principal office of PAL at 668 Ramona Street, Palo Alto, California 94301;
- (ee) Mortgaging the principal office of PAL except to refinance an amount equal to the current balance of any outstanding loans secured by the building;
- (ff) Leasing more space within the principal office of PAL than already leased as of the date that these bylaws are approved by the Members;
- (gg) Changing the minimum or maximum number of authorized directors.

ARTICLE VII COMMITTEES

Section 1 Executive Committee

PAL shall have an Executive Committee composed of the Chair of the Board, the Secretary of PAL, the Chief Financial Officer/Treasurer of PAL and two (2) directors appointed by the Chair of the Board of Directors. The Executive Committee shall have authority to act with all the authority of the Board of Directors, except with respect to:

- (q) the approval of any action for which approval of the Members or approval of a majority of all Members also is required by the California Corporations Code;
- (hh) the filling of vacancies on the Board of Directors;
- (ii) the amendment or repeal of these bylaws or the adoption of new bylaws;
- (jj) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
- (kk) the approval of any transaction within the provisions of California Corporations Code Section 5233, except as provided in California Corporations Code Section 5233(d)(3).

All actions and decisions of the Executive Committee must be approved by a majority of the authorized members of the Executive Committee.

The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. The designation of a committee of the Board of Directors and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or him by law.

Section 2 Nominating Committee

The Nominating Committee shall recommend to the Members a slate of candidates as directors for election at the next Annual Meeting of Members. Nominating Committee members shall be appointed by the Chair of the Board of Directors.

Section 3 Other Committees

The Board of Directors may establish committees to assist in the work of the Board of Directors and PAL. Each such committee shall be chaired by a director or officer of PAL.

ARTICLE VIII OFFICERS

Section 1 Officers

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

Section 2 Appointment

All officers shall be appointed by the Board of Directors. All officers shall serve at the pleasure of the Board of Directors, subject to the rights, if any, of an officer under a contract of employment.

Section 3 Inability to Act

In the case of absence or inability to act of any officer of PAL, the Board of Directors may delegate the powers or duties of such officer to any other officer, or any director or other person, for such period of time as the Board of Directors deems necessary.

Section 4 Resignations

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

Section 5 Removal

Any officer may be removed from office by the Board of Directors at any time, with or without cause, subject to any right of such officer under any contract of employment.

Section 6 Vacancies

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

Section 7 Executive Director/Chief Executive Officer

The Executive Director/Chief Executive Officer shall be the general manager and chief executive officer of PAL and shall have general supervision and control over the activities and affairs of PAL, subject to the control of the Board of Directors. The Executive Director may sign and execute, in the name of PAL, any instrument authorized by the Board of Directors, except when the signing and execution thereof shall have been expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of PAL. The Executive Director/Chief Executive Officer shall have discretion to prescribe the duties of employees of PAL in a manner consistent with the provisions of these bylaws and the directions of the Board of Directors.

The Chair of the Board of Directors shall automatically assume the duties and responsibilities of the Executive Director in the event of any vacancy in such position until such time as a new Executive Director is duly appointed by the Board of Directors.

The Executive Director/Chief Executive Officer shall not be a director.

Section 8 Vice-Chairs

The Board of Directors may elect a Vice Chair of the Board. In the absence or disability of the Chair of the Board or in the event of a vacancy in the office of Chair of the Board, the Vice Chair, if any,

shall perform all the duties of the Chair and, when so acting, shall have all the powers of, and be subject to all the restrictions on, the Chair of the Board.

Section 9 Secretary

The Secretary shall:

- (r) Keep, or cause to be kept, minutes of all meetings of PAL's Members, Board of Directors and committees of the Board of Directors, if any. Such minutes shall be kept in written form.
- (ll) Keep, or cause to be kept, at the principal office of PAL, a record of PAL's Members, showing the names and addresses of all Members, and the class of membership held by each. Such records shall be kept in written form or any other form capable of being converted into written form.
- (mm) Keep, or cause to be kept, at the principal office of PAL an original or copy of the Articles of Incorporation and these bylaws, as amended.
- (nn) Give, or cause to be given, notice of all meetings of Members and of the Board of Directors, as required by law or by these bylaws.
- (oo) Keep the seal of PAL, if any, in safe custody.
- (pp) Exercise such powers and perform such duties as are usually vested in the office of secretary of a corporation, and exercise such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors or these bylaws.
- (qq) The Secretary of the Board shall keep all records related to an

election. **Section 10 Chief Financial Officer/Treasurer**

The Chief Financial Officer/Treasurer shall:

- (s) Keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account for PAL;
- (rr) Oversee the financial audit of PAL and the preparation of the Annual Report to Members;
- (ss) Disburse or be responsible for the disbursement of the funds of PAL in accordance with the policies established by the Board of Directors;
- (tt) Exercise such powers and perform such duties as are usually vested in the office of chief financial officer/Treasurer of a corporation, and exercise such other powers and perform such other duties as may be prescribed by the Board of Directors.

Section 11 Executive Compensation Review

The Board of Directors (or a Board Committee) shall review any compensation packages (including all benefits) of the Executive Director/Chief Executive Officer, and such other officers as may be required by law or which shall be so designated by resolution of the Board of Directors, and shall approve such compensation only after determining that the compensation is fair and reasonable. This

review and approval shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified.

ARTICLE IX CONTRACTS, LOANS, BANK ACCOUNTS, CHECKS & DRAFTS

Section 1 Execution of Contracts and Other Instruments

Except as these bylaws may otherwise provide, the Board of Directors or its duly appointed and authorized committee may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of PAL, and such authorization may be general or confined to specific instances. Except as so authorized or otherwise expressly provided in these bylaws, no officer, agent or employee shall have any power or authority to bind PAL by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 2 Loans

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

Section 3 Bank Accounts

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

Section 4 Checks, Drafts, Etc.

All checks, drafts or other orders for the payment of money, notes, acceptances or other evidences of indebtedness issued in the name of PAL shall be signed by such officer or officers, agent or agents, of PAL, and in such manner, as shall be determined by resolution of the Board of Directors or its duly appointed and authorized committee. Endorsements for deposit to the credit of PAL in any of its duly authorized depositaries may be made, without counter-signature, by the Chair of the Board, the Executive Director/Chief Executive Officer, or the Chief Financial Officer/Treasurer or any assistant financial officer or by any other officer or agent of PAL to whom the Board of Directors or its duly appointed and

authorized committee shall have delegated such power or by hand-stamped impression in the name of PAL.

ARTICLE X MEMBERSHIPS

Section 1 Admission of Members

Applicants shall be admitted to membership upon making application therefore on such form as the Executive Director/Chief Executive Officer shall prescribe and payment of the applicable annual dues for such membership. Membership shall be open to all natural persons. PAL does not restrict membership, services or benefits on any basis, including, but not limited to race, creed, religion, national origin, ancestry, sex, marital status, disability, political affiliation, age, or sexual orientation. Membership shall be automatic upon presentation of a completed application form and payment of applicable dues.

Section 2 Non-transferability of Memberships

No Member may transfer for value or otherwise a membership interest or any right arising therefrom, and all rights of membership shall cease upon the death, resignation, expiration without renewal, or expulsion of a Member.

Section 3 Expulsion, Suspension or Termination of Members

Other than on the grounds set forth in this Section of these bylaws, no Member may be expelled or suspended, and no membership interest or any right arising therefrom may be terminated or suspended.

- (a) **Grounds.** The following events shall constitute grounds for termination of membership:
 - (5) Upon a Member's death;
 - (6) Upon a determination by a three-fourths (3/4) vote of the Board of Directors that the Member has engaged in conduct materially and seriously prejudicial to the interests or purposes of PAL; or
 - (7) Upon a Member's failure to renew his or her membership by paying membership dues prior to their due-date.
- (b) **Procedure for Expulsion.** If grounds appear to exist for terminating a Member under this section of these bylaws, the following procedure shall be implemented:
 - (8) A notice shall be sent by email or first-class mail to the last address of the Member as shown on PAL's records, setting forth the proposed expulsion and the reasons therefore.
 - (9) The Member being expelled shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not less than five days before the effective date of the proposed expulsion. The hearing will be held, or the written statement considered, by the Board of Directors in accordance with the quorum and voting rules set forth in these bylaws applicable to the meetings of the Board of Directors. The notice to the Member of his or her proposed expulsion shall state the date, time and place of the hearing on his or her proposed expulsion.

- (3) Following the hearing or submission of the written statement, the Board of Directors shall decide whether the Member should be expelled, suspended, or sanctioned in some other way. A person whose membership is suspended shall not be a Member during the period of suspension. Any such decision shall require the affirmative vote of three-fourths (3/4) of the Board of Directors. The decision of the Board shall be final.
- (4) Any person expelled from PAL shall receive a refund of dues already paid prorated to return only the unaccrued balance remaining for the period of the dues payment.

Section 4 Membership Records

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

Section 5 Nonliability of Members

No Member of PAL shall, because of such Member's status as a Member, be personally liable for the debts, liabilities or obligations of PAL.

ARTICLE XI INSPECTION OF CORPORATE RECORDS

Section 1 Inspection by Directors

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

Section 2 Inspection by Members

- (t) **Inspection of Corporate Records.** The accounting books and records and minutes of proceedings of the Members, the Board of Directors and committees of the Board of Directors shall be open to inspection upon written demand on PAL of any Member at any reasonable time for a purpose reasonably related such person's interests as a Member. Any such inspection may be made by the Member in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.
- (uu) **Inspection of Articles and Bylaws.** The original or a copy of the Articles of Incorporation and these bylaws shall be open to inspection by the Members, their agents and attorneys, at all reasonable times during normal business hours.

Section 3 Written Form

If any record subject to inspection pursuant to Article X, Section 4 of these bylaws is not maintained in written form, a request for inspection is not complied with unless and until PAL at its expense makes such record available in written or electronic form.

ARTICLE XII MISCELLANEOUS

Section 1 Fiscal Year

The fiscal year of PAL shall end on the 31st day of July in each calendar year.

Section 2 Annual Report

- (u) The Board of Directors shall cause to be prepared annually, within one hundred days after the close of PAL's fiscal year, a report (the "**Annual Report**") containing, in appropriate detail, the information required by California Corporations Code Section 6321 to be included in such report.
- (vv) The Board of Directors shall cause a copy of the Annual Report to be furnished annually to each director of PAL and to each Member who requests in writing to receive such report.

Section 3 Annual Statement of Certain Transactions and Indemnifications

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

Section 4 Bylaw Amendments

- (v) These bylaws may be amended by the affirmative vote of two-thirds (2/3) of the Board of Directors, except that such amendment may neither materially affect the voting rights of Members nor make any changes that would be contrary to the limitations on actions of the Board of Directors set forth in Article VI, Section 17.
- (ww) These bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the Members at a duly held meeting at which a quorum is present.

Section 5 Construction and Definition

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

Section 6 References to the California Corporations Code

Any references in these bylaws to sections of the California Corporations Code shall include those sections as subsequently amended or re-numbered.

ARTICLE XIII INDEMNIFICATION AND INSURANCE

Section 1 Construction and Definition

To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, PAL shall indemnify its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article, “agent” shall have the same meaning as in Section 5238(a), including Trustees, officers, employees, other agents, and persons formerly occupying such positions; “proceeding” shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and “expenses” shall have the same meaning as in Section 5238(a), including reasonable attorneys’ fees.

Section 2 Approval of Indemnity

On written request to the Board in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, shall authorize indemnification to the extent permitted thereby.

Section 3 Advancing Expenses

The Board may authorize the advance of expenses incurred by or on behalf of an agent of PAL in defending any proceeding prior to final disposition, if the Board finds that:

- (a) the requested advances are reasonable in amount under the circumstances; and
- (b) before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

The Board shall determine whether the undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

Section 4 Insurance

The Board may adopt a resolution authorizing the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such, and such insurance may provide for coverage against liabilities beyond PAL’s power to indemnify the agent under law.