

**AMENDED AND RESTATED ARTICLES OF INCORPORATION OF
SANTA CRUZ COUNTY HORSEMEN'S ASSOCIATION**

I

The name of this corporation is: Santa Cruz County Horsemen's Association.

II

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the nonprofit benefit corporation law for public purposes.

B. The purpose of the Santa Cruz County Horsemen's Association (SCCHA) and its members is to promote interest in horses and good horsemanship, and to bring people together to share these common interests. As a group, we support activities concerning the welfare of horses, and in the building and maintenance of equestrian trails in our community.

III

This corporation is organized and operated exclusively for social welfare purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code.

IV

The property of this corporation is irrevocably dedicated to social welfare purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof, or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation with Equine Activities, which is organized and operated exclusively for charitable or social welfare purposes and which has established its tax-exempt status under Section 501(c)(3) or Section 501(c)(4), respectively, of the Internal Revenue Code.

BYLAWS OF
SANTA CRUZ COUNTY HORSEMEN'S ASSOCIATION
(A California Nonprofit Public Benefit Corporation with Members)

Ratified March 29, 2022

ARTICLE I Offices

Section 1. Principal Office: The principal office of the corporation shall be located at Graham Hill Showgrounds, 1145 Graham Hill Road, Santa Cruz, CA 95060 or at such place as the Board of Directors may from time to time authorize.

Section 2. Other Offices: Additional offices of the corporation shall be located at such place or places, within or outside the State of California, as the Board of Directors may from time to time authorize.

ARTICLE II Corporate Seal

Section 1. Corporate Seal: If the Board of Directors adopts a corporate seal such seal shall have inscribed thereon the name of the corporation and the state and date of its incorporation. If and when a seal is adopted by the Board of Directors, such seal may be engraved, lithographed, printed, stamped, impressed upon or affixed to any contract, conveyance or other instrument executed by the corporation.

ARTICLE III Member Meetings and Voting Rights

Section 1. Place of Meetings: Meetings of members shall be held at the principal office of the corporation, or at any other place, within or outside the State of California, which may be fixed either by the Board of Directors or by the written consent of all persons entitled to vote at such meeting, given either before or after the meeting and filed with the Secretary of the corporation.

Section 2. Election Meeting: The election meeting of the members of the corporation shall be held at the hour of 7:30 p.m., local time, on the third (3rd) Tuesday in March in each year. At such meeting, directors shall be selected and any other business may be transacted which may properly come before the meeting. If the voting is done electronically, the voting results will be announced at the Election Meeting.

Section 3. Postponement of Election Meeting: The Board of Directors and the President shall each have authority to postpone to a later date and/or time the election meeting of members.

Section 4. General Meetings: General meetings of the members for any purpose or purposes may be called by the Board of Directors or the President.

Section 5. Notice of Meetings: Except as otherwise may be required by law and subject to Section 6 of this Article, notice of each meeting of members shall be given to each member entitled to vote at that meeting (see Section 9 of this Article), by the Secretary, assistant secretary or other person charged with that duty, not less than ten (10) nor more than ninety (90) days before such meeting; provided, however, that any notice which is given by mail and is not mailed by first-class, registered or certified mail shall be given not less than twenty (20) days before such meeting.

Notice of any meeting of members shall state the date, place and hour of the meeting, and

- (a) In the case of a general meeting, the general nature of the business to be transacted;
- (b) In the case of an election meeting, the general nature of matters which the Board of Directors, at the

- time the notice is given, intends to present for action by the members; and
- (c) In the case of any meeting at which directors are to be selected, the names of all those who are nominees at the time the notice is given; and
 - (d) In the case of any meeting, if action is to be taken on any of the following proposals, the general nature of such proposal:
 - 1) Removal of directors without cause, as described in California Corporations Code Section 5222;
 - 2) Amending the Articles of Incorporation of the corporation, as described in California Corporations Code Section 5812;
 - 3) Winding up and dissolution, as described in California Corporations Code Section 6610.

At a general meeting of members, notice of which has been given in accordance with this Section, action may not be taken with respect to business if the general nature of which has not been stated in such notice. At an election meeting of members, action may be taken with respect to business stated in the notice of such meeting, given in accordance with this Section, and, subject to subsection (d) above and Section 6 below, with respect to any other business which may properly come before the meeting.

Section 6. Manner of Giving Notice: Notice of any meeting of members shall be provided either in writing, personally, published via the club website or by Electronic (email) using the address information given by the member for the purpose of notice. Notice shall be deemed to have been given when communication is delivered in writing, personally, electronically or when published. An affidavit of the distribution of any notice of any members' meeting may be executed by the Secretary or any Assistant Secretary of the corporation, and if so executed, shall be filed and maintained in the corporation's minute's record.

If any notice delivered to a member's email address or mailed by the US Postal Service is returned to the corporation as undeliverable, all future notices shall be deemed to have been duly given without further distribution if these shall be available to the member on written demand by the member at the principal office of the corporation for a period of one (1) year from the date of the giving of the notice.

Section 7. Quorum and Transaction of Business:

- (a) At any meeting of the members, twenty-five in-person voting members, not including the Board of Directors, shall constitute a quorum. 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 the act of the members, unless the vote of a greater number is required by law or by the Articles of Incorporation, and except as provided in subsection (c) below.
- (b) The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, provided that any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.
- (c) In the absence of a quorum, no business other than adjournment may be transacted, except as described in subsection (b) above.

Section 8. Adjournment and Notice of Adjourned Meetings: Any meeting of members may be adjourned from time to time, whether or not a quorum is present, by the affirmative vote of a majority of votes represented at such meeting in person. In the event any meeting is adjourned, it shall not be necessary to give notice of the time and place of such adjourned meeting pursuant to Section 5 and 6 of this Article; provided that if any of the following three events occur, such notice must be given:

- (a) Announcement of the adjourned meeting's time and place is not made at the original meeting which

it continues, or

(b) Such meeting is adjourned for more than forty-five (45) days from the date set for the original meeting; or

(c) A new record date is fixed for the adjourned meeting.

At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

Section 9. Voting: The voting method is determined by the Board of Directors and communicated to members (60) days in advance of vote. Voting may be in-person with a ballot, or electronically.

No approval by the members, other than unanimous approval of those entitled to vote, will be valid as to proposals described in subsection (d) of Section 5 of this Article, unless the general nature of such business was stated in the notice of meeting or in any written waiver of notice.

Section 10. White Ballot: If any Board of Directors positions are un-opposed, the position will be assumed by the nominated officer, the white ballot will be instituted and the individual will be granted the position. There is no need for a ballot vote when there is no opposition.

Section 11. Members Entitled to Notice of Meetings and to Vote or Consent:

(a) The Board of Directors shall fix, in advance, a date as the record date for the purpose of determining the members entitled to notice of any meeting of members. Such record date shall be sixty (60) days before the date of the meeting.

(b) The Board of Directors shall fix, in advance, a date as the record date for the purpose of determining the members entitled to vote at a meeting of members. Such record date shall be sixty (60) days before the date of the meeting.

(c) The Board of Directors shall fix, in advance, a date as the record date for the purpose of determining the members entitled to exercise any rights in respect of any lawful action not described in subsections (a) or (b) above. Such record date shall be sixty (60) days prior to such action.

(d) A determination of members of record entitled to notice of or to vote at a meeting of members shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting.

Section 12. Proxies: No member shall be permitted to act or vote by proxy.

Section 13. Inspectors of Election: Before any 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 or its adjournment. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any member shall appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at a meeting on the request of one or more members, the majority of members represented in person shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chairman of the meeting may, and upon the request of any member shall, appoint a person to fill that vacancy.

These inspectors shall:

(a) Determine the number of memberships outstanding and the voting power of each, the number of memberships represented at the meeting, and the existence of a quorum;

(b) Receive votes or ballots;

(c) Hear and determine all challenges and questions in any way arising in connection with the right to

vote;

- (d) Count and tabulate all votes;
- (e) Determine when the polls shall close;
- (f) Determine the result;
- (g) Break ties by lottery;
- (h) Do any other acts that may be proper to conduct the election or vote with fairness to all members; and
- (i) Announce the results.

ARTICLE IV Board of Directors: Directors and Officers

Section 1. Powers: Subject to the provisions of law or any limitations in the Articles of Incorporation or these bylaws as to action required to be approved by the member or by a majority of all members, the activities and affairs of the corporation shall be conducted 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 Board Members (Directors and Officers): The authorized number of Board members of the corporation shall be twelve (12): eleven (11) elected, plus the immediate past President of the corporation.

Section 3. Nomination and Election of the Board (Directors and Officers):

- (a) The Board shall be elected at the annual election meeting of the members and shall hold office until the next election meeting and until their respective successors are elected and have qualified, or until their death, resignation or removal.
- (b) Subject to the provisions of law and these bylaws, the procedures followed in nominating and electing the Board shall be established by the Board. Such procedures shall be reasonable in light of the nature, size and operations of the corporation and shall include:
 - 1) The President shall appoint a nominating committee;
 - 2) The nominating committee shall select candidates for the Board and make its report to the members two (2) months prior to the date of the election. After the nominating committee has presented its candidates, additional nominations may be made at any general meeting of the members or on the election ballot;
 - 3) Candidates must accept nomination and be a member for at least a year before their names may be placed on the ballot;
 - 4) A candidate shall have the opportunity to communicate to the members the candidate's qualifications and the reasons for the candidate's candidacy, and a reasonable opportunity to solicit votes;
 - 5) The candidates receiving the largest number of votes, shall be deemed to be elected providing they consent to serve;
 - 6) Elected Directors and Officers shall assume office immediately.

Section 4. Resignations: Any member of the Board of Directors may resign effective upon giving written notice to the President or the Board of Directors of the corporation, 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 Section 7 of this Article 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 the corporation without a duly elected director or directors in charge of its affairs.

Section 6. Removal:

- (a) 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.
- (b) The entire Board of Directors or any individual Director may be removed from office without cause:
 - 1) If the corporation has fewer than fifty (50) members, by the affirmative vote (or written ballot pursuant to Section 10 of Article III) of a majority of the members entitled to vote for such removal; or
 - 2) If the corporation has fifty (50) or more members, by the affirmative vote (or written ballot pursuant to Section 10 of Article III) of a majority of the members represented and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum).

Section 7. 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 of the remaining directors, though less than a quorum, or by a sole remaining director. The members may elect a director at any time to fill any vacancy not filled by the directors.

Section 8. Board Meetings: Immediately after each election meeting, and at such place fixed by the Board of Directors, or if no such place is fixed at the place of the regular meeting of members, the Board of Directors shall hold a regular meeting for the purposes of organization, appointment of vacant Board positions, and transaction of other business. Other meetings of the Board of Directors shall be held at such times, places and dates as fixed by the Board of Directors. Meetings of the Board of Directors held pursuant to this Section may be held without notice.

Section 9. Participation By Telephone: Directors may participate in a Board of Directors meeting through use of conference telephone, videoconferencing or similar communications equipment, so long as all directors participating in such meeting can hear one another. Such participation constitutes presence in person at such meeting.

Section 10. Special Meetings: Special meetings of the Board of Directors for any purpose may be called by the President, Secretary or any two (2) directors.

Section 11. 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 Section 8 of this Article, shall be delivered personally, orally or in writing, or by telephone or telegraph to each director, at least twenty-four (24) hours before the meeting, or sent in writing to each director by first-class mail, postage prepaid, at least four (4) days before the meeting. Such notice may be given by the Secretary of the corporation or by the person or persons who called the meeting. Such notice need not specify the purpose of the meeting.

Section 12. Place of Meetings: Meetings of the Board of Directors may be held at any place within the state which has been designated in the notice of the meeting.

Section 13. 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 to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

Section 14. Quorum and Transaction of Business: 50% + 1 of the authorized number of directors shall constitute a quorum of the Board of Directors for the transaction of business. 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 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 for such meeting. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present may adjourn the meeting.

Section 15. Adjournment: Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by the affirmative vote of a majority of the directors present. If the meeting is adjourned for more than twenty-four (24) hours, notice of such 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 V Officers

Section 1. Officers: The corporation shall have a President, a Secretary, a 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 Treasurer may serve concurrently as the President. A Treasurer and a President cannot be a couple living together. An Officer, Part of the Board of Directors, follows the same process as outlined in Article IV.

Section 2. President. The President shall:

- (a) Preside at all meetings of the Board of Directors and at all general meetings of the members and direct all formal discussions.
- (b) Ensure that all other officers of the corporation perform their duties in a manner consistent with these Bylaws and the directions of the Board of Directors.
- (c) Be the general manager and chief executive officer of the corporation and shall have general supervision and control over the activities and affairs of the corporation, subject to the control of the Board of Directors. The President may sign and execute, in the name of the corporation, 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 the corporation.
- (d) Have all the general powers and duties of management usually vested in the president of a corporation, and shall have such other powers and duties as may be prescribed from time to time by the Board of Directors or these Bylaws.
- (e) Keep the seal of the corporation in safe custody.

- (f) Ensure that the club has proper insurance, or delegates this role to another member of the Board and overseas their actions.
- (g) Not make or second any motions. The President may participate in board discussions before a motion is made. The President may vote only to break a tie.
- (h) Serve as a member of the Board of Directors for one year after leaving office.

The President may appoint a member of the Board to act on their behalf when they are absent.

Section 3. Secretary. The Secretary shall:

- (a) Keep, or cause to be kept, minutes of all meetings of the corporation's members, Board of Directors. Such minutes shall be kept in written form and stored electronically, if an electronic option is available.
- (b) Upon written request, make available to any member in good standing the minutes of the general and board of directors' meetings.
- (c) Keep, or cause to be kept, at the principal office of the corporation, a record of the corporation'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.
- (d) Keep, or cause to be kept, at the principal office of the corporation an original or copy of the Articles of Incorporation and these Bylaws, as amended.
- (e) 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.

If any assistant secretaries are appointed, they shall discharge such duties as may be assigned from time to time pursuant to these Bylaws or by the Board of Directors

Section 4. Treasurer. The Treasurer shall:

- (a) Keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account for the corporation.
- (b) Be responsible for all functions and duties of the treasurer of the corporation.
- (c) Receive or be responsible for receipt of all monies due and payable to the corporation from any source whatsoever; have charge and custody of, and be responsible for, all monies and other valuables of the corporation and be responsible for deposit of all such monies in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors or a duly appointed and authorized committee of the Board of Directors.
- (d) Disburse or be responsible for the disbursement of the funds of the corporation as may be ordered by the Board of Directors or a duly appointed and authorized committee of the Board of Directors.
- (e) Provide the President, the Board of Directors, and members a statement of financial conditions of the Corporation.
- (f) Presents to the Board of Directors a profit and loss statement on a quarterly basis.
- (g) Exercise such powers and perform such duties as are usually vested in the office of Treasurer of a corporation, and exercise such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

ARTICLE VI Contracts, Loans, Bank Accounts, Checks and 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 the corporation, 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 the corporation 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 the corporation 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 the corporation may effect loans and advances at any time for the corporation 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 the corporation 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 the corporation, 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 the corporation. Such authorization may be general or confined to specific instances.

Section 3. Accounts: The Board of Directors or its duly appointed and authorized committee from time to time may authorize the opening and keeping of general and/or special bank accounts with such banks, trust companies or other depositories as may be selected by the Board of Directors, its duly appointed and authorized committee or by any officer or officers of the corporation 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.

ARTICLE VII Membership and Voting Rights

Section 1. Admission of Members: Any person owning horses, interested in horses, or supportive of the corporation and its purposes shall be eligible for membership upon submission of a written or online application and the required dues. The applicant must also be willing to contribute time and effort to support the operation of the club.

Section 2. Classification and Definition of Memberships: There are six (6) membership classifications:

- (a) Single Membership. A single member shall be eighteen (18) years of age or older. Single members shall have the right to one (1) vote.
- (b) Junior Membership. A junior member shall be from eight (8) to seventeen (17) years of age. A junior member shall not have the right to vote.
- (c) Family Membership. A family membership shall consist of no more than two (2) individuals, both eligible for single membership, living in the same household, plus their dependents under eighteen (18) years of age. Each individual shall have the right to one (1) vote, and each must be declared as the voting members on the application for family membership. Dependents shall have no right to

vote.

- (d) **Honorary Membership.** An honorary membership may be awarded, in the discretion of the Board of Directors, to any individual who has performed outstanding services on behalf of the corporation. An honorary member shall have all the privileges of single membership, except that he or she shall have no right to vote and shall be exempt from paying dues. The Board of Directors shall review honorary memberships for renewal on an annual basis.
- (e) **Life Membership.** An individual shall become a life member upon the vote of a majority of the Board of Directors. A life member shall have all the privileges of a single member, but shall be exempt from paying dues. The Board of Directors may revoke a life membership by a majority vote. A single member with 15 years of continuous membership shall be considered for life membership. Life membership may also be awarded for meritorious service to the corporation, in the discretion of the Board of Directors.
- (f) **Affiliate Membership.** An affiliate member shall consist of equine related groups, educational institutions offering equine programs, or other organizations or groups approve for affiliate membership by the Board of Directors. Affiliate members shall have no right to vote. Any other privileges granted to an affiliate member shall be at the discretion of the Board of Directors.

Section 3. Nontransferable Memberships: Except as provided by law, no member may transfer a membership or any right arising therefrom, and all rights of membership cease upon a member's death or dissolution.

Section 4. Resignation of Members: A member may resign from membership at any time by delivery of written notice to the Board of Directors. Dues are not refundable.

Section 5. Expulsion, Suspension or Termination of Members: All members shall abide by the published rules. The Board of Directors will follow the published rules in respect to disciplinary actions or revocation of membership without refund of dues.

Section 6. Dues, Assessments and Fees: The Board of Directors may levy upon the members such dues, assessments and fees as it shall deem appropriate.

ARTICLE VIII 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 the corporation and to inspect the physical properties of the corporation. 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.

- (a) **Inspection of Corporate Records.** The accounting books and records and minutes of proceedings of the members and the Board of Directors and its committees shall be open to inspection upon written demand on the corporation of any member at any reasonable time for a purpose reasonably related to such person's interests as a member. 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.
- (b) **Inspection of Members.** Any member or members shall have the right to inspect and copy the record of members' names, addresses and voting rights to the extent, and only to the extent, provided by law.
- (c) **Inspection of Articles and Bylaws.** The original or a copy of the Articles of Incorporation and these

Bylaws shall be kept and open to inspection by the members, their agents and attorneys, at all reasonable times.

Section 3. Written Form: If any record subject to inspection pursuant to Section 1 or 2 of this Article is not maintained in written form, a request for inspection is not complied with unless and until the corporation at its expense makes such record available in written form.

ARTICLE IX Miscellaneous

Section 1. Fiscal Year: Unless otherwise fixed by resolution of the Board of Directors, the fiscal year of the corporation shall end on the thirty-first (31st) day of December in each calendar year.

Section 2. Annual Report:

- (a) Except if the corporation receives less than twenty- five thousand dollars (\$25,000) in gross revenues or receipts during the fiscal year, the Board of Directors shall cause to be prepared annually, within one hundred twenty (120) days after the close of the corporation's fiscal year, a report (hereinafter referred to as the "Annual Report") containing, in appropriate detail, the information required by California Corporations Code Section 6321 to be included in such report.
- (b) The Board of Directors shall cause a copy of the Annual Report to be furnished each year to each director of the corporation and to each member of the corporation in the manner provided in Section 9 of these Bylaws not later than one hundred twenty (120) days after the end of such fiscal year.

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 said Section 6322.

- (a) Any covered transaction during the previous fiscal year involving more than fifty thousand dollars (\$50,000), or which was one of a number of covered transactions in which the same interested person had a direct or indirect material financial interest, and which transactions in the aggregate involved more than fifty thousand dollars (\$50,000).
- (b) The names of the interested persons involved in such transactions, stating such person's relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

The statement shall describe briefly the amount and circumstances of any indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or director of the corporation pursuant to Section 5238 ; provided that no such report need be made in the case of indemnification approved by the members .

Section 4. Bylaw Amendments:

- (a) Except as otherwise provided by law or Section 2 of Article IV, these Bylaws may be amended or repealed and new Bylaws may be adopted by the Board of Directors, unless such amendment, repeal or adoption would materially and adversely affect the rights of members as to voting or transfer of memberships. Notwithstanding the foregoing, a Bylaw specifying or changing a fixed number of directors or the maximum or minimum number or changing from a fixed to a variable board or vice versa may only be adopted by approval of the members as provided herein.
- (b) These Bylaws may be amended or repealed and Bylaws may be adopted by the affirmative vote of a

majority of the members represented and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute at least a majority of the required quorum); provided, however, that such amendment, repeal or adoption also requires approval by the members of a class if such action would materially and adversely affect the rights of that class as to voting or transfer of memberships in a manner different from the manner in which such action would affect the members of any other class.

ARTICLE X Indemnification and Liability

Section 1. Indemnification of Directors, Officers, and Employees: The corporation shall have the power to indemnify its agents as set forth in California Corporations Code Section 5238. The corporation shall have no obligation to grant such indemnification except as expressly set forth in said Section 5238.

Section 2. Director's Liability of Distributions, Loans and Guarantees: Subject to the provisions of California Corporations Code Section 5231, any director of the corporation shall jointly and severally be liable to the corporation for the making of any distribution, loan or guaranty to the extent provided in California Corporations Code Section 5237

Section 3. Personal Liability of Volunteer Director or Officer for Negligence:

- (a) There shall be no personal liability to a third party for monetary damages on the part of a volunteer director or officer of the corporation caused by such director's or officer's negligent act or omission in the performance of his or her duties as a director or officer, if all of the following conditions are met:
 - 1) The act or omission was within the scope of the director's or officer's duties;
 - 2) The act or omission was performed in good faith;
 - 3) The act or omission was not reckless, wanton, intentional or grossly negligent; and
 - 4) Damages caused by the act or omission are covered pursuant to a liability insurance policy to the extent provided in California Corporations Code Section 523.
- (b) The term "volunteer" shall have the meaning given by Corporations Code Section 5239(b).
- (c) For purposes of Section 52, the term "officer" shall mean the President, Secretary, or Treasurer of the corporation if he or she assists in establishing the policy of the corporation.

The forgoing Bylaws of SANTA CRUZ COUNTY HORSEMEN'S ASSOCIATION
are duly ratified by unanimous vote on this 29th day of March 2022.

Robin Musitelli – President

Date Signed

Steve Shupe – Treasurer

Date Signed