

BYLAWS
OF
SIERRA GOLD BOSTON TERRIER CLUB
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION

ARTICLE I
NAME

The name of the Corporation is SIERRA GOLD BOSTON TERRIER CLUB.

ARTICLE II
OFFICES

Section 1. PRINCIPAL OFFICE. The principal office for the transaction of the activities, affairs, and business of SIERRA GOLD BOSTON TERRIER CLUB (the "Corporation") is hereby fixed and located at 538 Main Street, County of Nevada, County of Nevada, City of Nevada City, California 95959. The location may be changed by the Board of Directors, but only to another location in the greater Roseville, California area. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this Section, or this Section may be amended to state the new location.

Section 2. OTHER OFFICES. Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where the Corporation is qualified to conduct its activities.

ARTICLE III
QUALIFICATIONS AND RIGHTS OF MEMBERSHIP

Section 1. CLASSES AND QUALIFICATIONS. This Corporation shall have three (3) classes of members, designated as follows:

- (a) Regular;
- (b) Honorary; and
- (c) Lifetime.

Any person dedicated to the purposes of this Corporation, who also falls within one of the membership classes defined below shall be eligible for membership on approval of the membership application by the Board and the payment of such dues and fees as the Board may fix from time to time:

(a) A “Regular” member is a member who shall pay dues, shall be eighteen (18) years of age or older, and shall be entitled to vote.

(b) An “Honorary” member is a member who shall be eighteen (18) years of age or older and shall be elected and approved by a majority vote of those in attendance and voting at a Corporate meeting. Honorary members must pay dues in order to obtain an active voting status and the ensuing membership status.

(c) A “Lifetime” member is a member who shall be eighteen (18) years of age or older and shall have been elected after a minimum of twenty (20) years as a member by a majority of those in attendance and voting at a Corporate meeting. A Lifetime member shall not be required to pay dues, but shall be entitled to vote and may hold office.

Section 2. VOTING MEMBERS. Regular members and Lifetime members shall have the right to vote, along with any Honorary members who pay dues, as set forth in these Bylaws, on the election of Directors, on the disposition of all or substantially all of the assets of the Corporation, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the Corporation. In addition, those members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law. If the Corporation is dissolved, these members shall not receive a pro rata distribution of all assets. Assets shall be distributed according to the bylaw contained within Article XXIV.

Section 3. OTHER PERSONS ASSOCIATED WITH THE CORPORATION. From time to time, the Corporation may refer to persons associated with it as “members,” even though such persons or entities are not voting members as set forth in Article III, Section 2 of these Bylaws. No such reference shall constitute anyone a member within the meaning of Section 5056 of the California Corporations Code, unless that person or entity shall have qualified for such a voting membership under Article III, Section 2 of these Bylaws. References in these Bylaws to members shall mean members as defined in Section 5056 of the California Corporations Code; *i.e.*, the members of the three (3) classes set forth in Article III, Section 1 of these Bylaws. By amendment of its articles of incorporation or of these Bylaws, the Corporation may grant some or all the rights of a member of any class, as set forth in these Bylaws, to any person or entity that does not have the right to vote on any of the matters specified in Article III, Section 2 of these Bylaws, but no such person or entity shall be a member within the meaning of Section 5056 of the California Corporations Code.

Any person dedicated to the purposes of this Corporation, who also falls within one of the classes of persons associated with the Corporation (an “Associate”) defined below shall be eligible for association with the Corporation on approval of the application by the Board and the payment of such dues and fees as the Board may fix from time to time. The Corporation shall have three (3) classes of non-voting Associates:

(a) An “associate” is a person who shall pay dues, shall be eighteen years of age or older, but shall not be entitled to vote. For the purposes of these Bylaws, the uncapitalized term “associate” shall refer to the class defined in Article III, Section 3(a), while the capitalized term “Associate” shall refer to all non-voting persons associated with the Corporation.

(b) A “Junior” is a person who shall be a boy or girl ten (10) to seventeen (17) years of age and shall not be entitled to vote or hold office. Juniors shall be governed by the Corporation Bylaws and policies, including the following provisions which shall apply solely to Juniors:

- (i) Dues for Juniors shall not exceed twenty (\$20.00) per year;
- (ii) Juniors must be sponsored by a regular Corporation member;
- (iii) Juniors must show an active interest in the Corporation each year by assisting on committees and/or with corporate activities;
- (iv) Juniors shall not have voting privileges;
- (v) Juniors shall not hold office;
- (vi) Juniors must have an adult with them at all corporate activities;
- (vii) Juniors, if eligible after Board review, automatically become Regular members upon turning eighteen (18) years of age by paying corporate dues.

(c) An “Honorary” Associate is a person who shall be eighteen (18) years of age or older and shall be elected and approved by a majority vote of those in attendance and voting at a Corporate meeting. Honorary Associates shall not pay dues, but as a consequence they shall not be entitled to vote.

Section 4. USE OF CORPORATE NAME BY MEMBERS AND/OR ASSOCIATES. Use of the Corporation’s name by any member and/or Associate shall be limited to activities and projects sponsored by the Corporation. No member and/or Associate may use the name of the Corporation to promote a personal business or activity, unless such use is first approved by the Board of Directors or the members as provided in these Bylaws.

Section 5. ACTIONS ON BEHALF OF THE CORPORATION. Members and Associates may act on behalf of the Corporation only after such action has been approved by the Board of Directors or the members as provided in these Bylaws.

ARTICLE IV
MEMBERSHIP AND ASSOCIATION:
ELECTION TO MEMBERSHIP/ASSOCIATION, DUES, FEES, AND
ASSESSMENTS AND GOOD STANDING

Section 1. ELECTION TO MEMBERSHIP/ASSOCIATION. Each applicant for membership and for association shall apply on a form as approved by the Board of Directors and which shall provide that the applicant agrees to abide by the constitution, Bylaws, and the rules of the American Kennel Club. The application shall state the name, address and occupation of the applicant, and it shall carry the endorsement of two members in good standing. Accompanying the application, the applicant shall submit dues payment for the current year.

All applications are to be filed with the Recording Secretary, and each application shall be read at the first meeting of the Corporation following its receipt. At the next corporate meeting, the applications will be voted upon and affirmative votes of two-thirds (2/3) of the members *present and voting* shall be required to *elect the applicant*. Voting is to be performed

by secret ballot. Applicants for membership and applicants for association who have been rejected by the Corporation may not re-apply within six months after such rejection.

Section 2. DUES, FEES AND ASSESSMENTS. Membership and association dues shall be payable annually by the first day of July of each year. At the discretion of the Board of Directors, the dues' amounts may be set from year to year without further amendment, up to but not to exceed maximum of twenty-five dollars (\$25.00) per Regular member, per Honorary member, and per associate. In addition, the dues' amounts may be set from year to year without further amendment, up to but not to exceed twenty dollars (\$20.00) per Junior. Dues shall be payable for the first year on the admission to membership or association and annually thereafter by the first day of July. The Corresponding Secretary shall send to each member and to each Associate a statement of dues for the ensuing year during the month of May. No member may vote whose dues are not paid for the current year. The Board may, in its discretion, set different dues, fees, and assessments for each class.

Section 3. GOOD STANDING. Those members and Associates, who have paid the required dues, fees, and assessments in accordance with these Bylaws and who are not suspended, shall be members and Associates, respectively, in good standing.

ARTICLE V

TERMINATION AND SUSPENSION OF MEMBERSHIP/ASSOCIATION

Section 1. TERMINATION.

(a) **Causes of Termination.** A membership and/or an association shall terminate on occurrence of any of the following events:

(i) Resignation of a member or an Associate, upon written notice to the Recording Secretary. However, no member or Associate may resign when in debt to the Corporation. Dues obligations are considered a debt to the Corporation, and they become incurred on the first day of the fiscal year;

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

(iii) Failure of a member or Associate to pay dues, fees, or assessments as set by the Board within sixty (60) days after the first day of the fiscal year after they become due and payable, although the Board may grant an additional thirty (30) days of grace to such delinquent members or Associates in meritorious cases;

(iv) Occurrence of any event, including death, that renders a member ineligible for membership or an Associate ineligible for association; or failure to satisfy membership qualifications or association qualifications;

(v) Expulsion of the member or the Associate under Article V, Sections 3-4 of these Bylaws, based on the good faith determination by the Board that the member has failed in a material and serious degree to observe the rules of conduct of the

Corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Corporation and/or the breed of Boston Terriers (the "Breed").

(b) **Effect of Termination.** All rights of a member in the Corporation and in its property shall cease on the termination of such member's membership or an Associate's association. Termination shall not relieve the member from any obligation for charges incurred services or benefits actually rendered, dues or fees, arising from contact or otherwise. The Corporation shall retain the right to enforce any such obligation or obtain damages for its breach.

Section 2. SUSPENSION OF MEMBERSHIP/ASSOCIATION.

(a) **Standard for Suspension.** A member or an Associate may be suspended, under this Article 5, Section 2 of these Bylaws, based on the good faith determination by the Board that the member or Associate 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 purposes and interests of the Corporation and/or the Breed.

(b) **Effect of Suspension.** A person whose membership or association is suspended shall not be a member or an Associate during the period of suspension. Suspension shall not relieve the member from any obligation for charges incurred services or benefits actually rendered, dues or fees, arising from contact or otherwise. The Corporation shall retain the right to enforce any such obligation or obtain damages for its breach.

(c) **Effect of An American Kennel Club Suspension on Corporate Membership/Association.** Any member who is suspended from the privileges of the American Kennel Club shall automatically be suspended from the privileges of this Corporation for a like period of time.

Section 3. EXPULSION FROM MEMBERSHIP/ASSOCIATION.

(a) **Standard for Expulsion.** A member or Associate may be expelled under this Article 5, Section 3 of those Bylaws, based on the good faith determination by the Board that the member or Associate 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 purposes and interests of the Corporation and/or the Breed.

(b) **Effect of Expulsion.** A person who is expelled shall no longer be a member or Associate of the Corporation. Expulsion shall not relieve the member from any obligation for charges incurred services or benefits actually rendered, dues or fees, arising from contact or otherwise. The Corporation shall retain the right to enforce any such obligation or obtain damages for its breach.

Section 4. PROCEDURE FOR EXPULSION OR SUSPENSION. If grounds appear to exist for expulsion or suspension of a member or Associate under Article V, Sections 2-3 of these Bylaws, the procedure set forth below shall be followed:

(a) **Charges.** Any member may prefer charges against a member or Associate for alleged misconduct prejudicial to the best interests of the Corporation and/or the Breed.

Written charges with specifications must be filed in duplicate with the Corresponding Secretary together with a deposit of twenty dollars (\$20.00), which shall be forfeited if such charges are not sustained by the Board following a hearing. The Corresponding Secretary shall promptly send a copy of the charges to each member of the Board or present them at a Board meeting, and the Board shall first consider whether the actions alleged in the charges, if proven, might constitute conduct prejudicial to the best interests of the Corporation and/or Breed. If the Board considers that the charges do not allege conduct which would be prejudicial to the best interests of the Corporation and/or Breed, it may refuse to entertain jurisdiction. If the Board entertains jurisdiction of the charges, it shall fix a date of hearing by the Board not less than three (3) weeks nor more than six (6) weeks thereafter. The Corresponding Secretary shall promptly send one copy of the charges to the accused member or Associate (the "Accused") together with a notice of the hearing and an assurance that the Accused may personally appear in his own defense and bring witnesses, if he wishes. Any notice given by mail shall be sent by first-class or registered mail to the Accused's last address as shown on the Corporation's records. The Accused shall be given fifteen (15) days' prior notice of the proposed expulsion or suspension, as well as the reasons for the proposed expulsion or suspension. All participants in the disciplinary proceedings brought pursuant to these Bylaws shall agree to sign a consent form to permit the Board to hear and rule upon the charges and, further, shall agree to hold the Board harmless with respect to this activity.

(b) **Board hearing.** The Board shall have complete authority to decide whether counsel may attend the hearing, but both complainant and the Accused shall be treated uniformly in that regard. Should the charges be sustained after a hearing on all of the evidence and testimony presented by complainant and Accused, the Board may vote by a majority vote of those present to suspend the Accused from all privileges of the Corporation for not more than six months from the date of hearing or impose some lesser discipline and/or a reprimand. If the Board deems that suspension is insufficient, it may recommend to the membership that the penalty be expulsion. In such case, the suspension shall not restrict the Accused's right to appear before his fellow members at the ensuing Corporation meeting which considers the Board's recommendation. Immediately after the Board has reached a decision, its findings shall be put in written form and filed with the Recording Secretary. The Corresponding Secretary, in turn, shall notify each of the parties of the Board's decision and penalty, if any.

(c) **Expulsion.** Expulsion of a member or Associate from the Corporation may be accomplished only at a meeting of the Corporation following a Board hearing and upon the Board's recommendation as provided in Section 4(b) of this Article 5. Such proceeding may occur at a regular or special meeting of the Corporation held within sixty (60) days, but not earlier than thirty (30) days after the date of the Board's recommendation of expulsion. The Accused shall be given an opportunity to be heard at least five (5) days before the effective date of the proposed expulsion. The Accused shall have the privilege of appearing in his own behalf, though no evidence shall be taken at this meeting. The President shall read the charges and the Board's finding and recommendation and shall invite the Accused, if present, to speak in his own behalf, if he wishes. The members shall then vote by secret ballot on the proposed expulsion. A two-thirds (2/3) majority vote of those present and voting at the meeting shall be necessary for expulsion. If expulsion is not so voted, the Board's suspension shall stand. The decision of the Board shall be final.

(d) **Challenges to Expulsion, Suspension, or Termination.** Any action challenging an expulsion, suspension, or termination of membership or association, including a claim alleging defective notice, must be commenced within one (1) year after the date of the expulsion, suspension, or termination.

ARTICLE VI
TRANSFERABILITY OF MEMBERSHIPS/ASSOCIATION

No membership or association, nor any right arising from membership or association, may be transferred to another. Further, all rights of membership and/or association cease on the member's or Associate's death, or upon dissolution of the Corporation.

ARTICLE VII
MEETINGS OF MEMBERS

Section 1. PLACE OF MEETING. Meetings of the members shall be held at any place within the greater Roseville, California area.

Section 2. ANNUAL MEETING. An annual members' meeting shall be held in the month of June each year at such hour and place as may be designated by the Board of Directors, unless the Board fixes another time and so notifies members as provided in Article VII, Section 5 of these Bylaws. If the scheduled date falls on a legal holiday, the meeting shall be held the next full business day. At this meeting, Directors shall be elected and any other proper business may be transacted, subject to Article XII, Section 3 of these Bylaws. At the annual meeting of the Corporation, the order of business, so far as the character and nature of the meeting may permit, shall be as follows:

- (a) Roll call;
- (b) Reading of the minutes of the last meeting;
- (c) Report of the President;
- (d) Report of the Corresponding Secretary;
- (e) Report of the Treasurer;
- (f) Report of Committees;
- (g) Election of Officers and Board;
- (h) Election of New Members;
- (i) Unfinished business; and
- (j) Adjournment.

Section 3. SPECIAL MEETINGS.

(a) **Persons Authorized to Call.** A special meeting of the members for any lawful purpose may be called at any time by the Board of Directors, by any officer of the Corporation, or by petition of five percent (5%) or more of the members.

(b) **Calling Meetings.** A special meeting called by any person (other than the Board) 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 Chairman of the Board, if any, or the President or any Vice 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, in accordance with Article VII, Section 5 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 thirty five (35) but no more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, 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) **Proper Business of Special Meeting.** No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

Section 4. REGULAR MEETINGS.

(a) **Number.** There shall be no less than six (6) regular meetings per calendar year, which excludes the annual meeting.

(b) **Order of Business.** At a regular meeting of the Corporation, the order of business, so far as the character and nature of the meeting may permit, shall be as follows:

- (i) Roll call;
- (ii) Reading of the minutes of the last meeting;
- (iii) Report of the President;
- (iv) Report of the Corresponding Secretary;
- (v) Report of the Treasurer;
- (vi) Report of Committees;
- (vii) Election of New Members;
- (viii) Unfinished business;
- (ix) Adjournment.

Section 5. NOTICE REQUIREMENTS FOR MEMBERS' MEETINGS:

(a) **General Notice Requirements.** Whenever members are required or permitted to take any action at a meeting, written notice of the meeting shall be given, in accordance with this Article VII, Section 5 of these Bylaws, to each member entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting and, (1) for a special meeting, the general nature of the business to be transacted, and no other business may be transacted, (2) for the annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the members, but any proper matter may be presented at the meeting, and (3) for a regular meeting, the general nature of the business to be transacted, and any proper matter may be presented at the meeting. The notice of any meeting at which Directors are to be elected shall include the names of all persons who are nominees when notice is given.

(b) **Notice of Certain Agenda Items.** 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:

- (i) Removing a Director without cause;
- (ii) Filling vacancies on the Board;
- (iii) Amending the articles of incorporation;
- (iv) 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;
- (v) Electing to wind-up and dissolve the Corporation; or
- (vi) 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.

(c) **Manner of Giving Notice.** Notice of any meeting of members shall be in writing and shall be given at least ten (10), but no more than ninety (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 appearing on the books of the Corporation or at the address given by the member to the Corporation for purposes of notice. If no address appears on the Corporation's books and no address has been so given, notice shall be deemed to have been given if either (1) notice is sent to that member by first-class mail or telegraphic or other written communication to the Corporation's principal office or (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

(d) **Affidavit of Mailing Notice.** 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 or any transfer agent of the Corporation, and if so executed, shall be filed and maintained in the Corporation's minute book.

Section 6. QUORUM:

(a) **Percentage Required.** Twenty percent (20%) of the voting power shall constitute a quorum for the transaction of business at any meeting of members.

(b) **Loss of Quorum.** 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 7. ADJOURNMENT AND NOTICE OF ADJOURNED MEETING.

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

Section 8. VOTING:

(a) **Eligibility to Vote.** Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, members entitled to vote at any meeting of members shall be Regular, Lifetime or dues-paying Honorary members in good standing as of the record date determined under Article IX, Sections 1-3 of these Bylaws.

(b) **Manner of Casting Votes.** Voting may be by voice or ballot, except that any election of Directors must be by secret ballot.

(c) **Voting.** Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members.

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

Section 9. WAIVER OF NOTICE OR CONSENT:

(a) **Written Waiver or Consent.** The transactions of any members' meeting, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly

held after regular call and notice, if (1) a quorum is present in person, and (2) either before or after the meeting, each member entitled to vote, who is not present in person, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Article VII, Section 5(b) 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.

(b) **Waiver by Attendance.** 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.

ARTICLE VIII **ACTION WITHOUT A MEETING**

Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the members.

ARTICLE IX **RECORD DATE FOR NOTICE,** **VOTING, WRITTEN BALLOTS, AND OTHER ACTIONS.**

Section 1. RECORD DATE DETERMINED BY BOARD. For purposes of determining the members entitled to notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise any rights with respect to any lawful action, the Board may fix, in advance, a record date. The record date so fixed:

(a) for notice of a meeting shall not be more than ninety (90) or less than ten (10) days before the date of the meeting;

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

(c) for voting by written ballot shall not be more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

(d) for any other action shall not be more than sixty (60) days before that action.

Section 2. RECORD DATE NOT DETERMINED BY BOARD

(a) **Record Date for Notice or Voting.** If not otherwise fixed by the Board, the record date for determining members entitled (1) to receive notice of a meeting of members shall be the business day next preceding the day on which notice is given or, if notice is waived, the business day next preceding the day on which the meeting is held and (2) to vote at the meeting shall be the day on which the meeting is held.

(b) **Record Date for Action by Written Ballot.** 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.

(c) **Record Date for Other Actions.** 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 sixtieth (60th) day before the date of that action, whichever is later.

Section 3. MEMBERS OF RECORD. For purposes of Article IX, Sections 1-2, a person holding a membership at the close of business on the record date shall be a member of record.

ARTICLE X **PROXIES**

Section 1. RIGHT OF MEMBERS. Each member in good standing whose dues are paid for the current year shall be entitled to one vote at any meeting of the Corporation. Proxy voting shall not be permitted at any Corporate meeting or election.

ARTICLE XI **ELECTION OF DIRECTORS**

Section 1. ELIGIBILITY FOR NOMINATION AS DIRECTOR AND RESTRICTIONS ON NOMINATIONS. In order to be eligible to become a Director, a candidate must have been nominated to become a Director under the procedure delineated in Article XI, Section 2. All candidates who have been nominated in compliance with Article XI, Section 2 and who have attended a minimum of one-third (1/3) of all corporate meetings held in the previous year shall be eligible to become a Director of the Corporation. Any given person may only be a candidate for one (1) Director position.

Section 2. NOMINATIONS BY COMMITTEE. During the month of March, the Board shall elect a nominating committee consisting of three (3) members and two (2) alternatives, not more than one (1) of whom may be member of the Board. The Corresponding Secretary shall immediately notify the committee members and alternates of their selection. The Board shall name a Chair for the Committee, and it shall be such person's duty to call a committee which shall be held on or before April 1. The committee shall nominate one (1) candidate for each office and three (3) candidates for the other three (3) positions on the Board. After securing the consent of each person so nominated, the committee shall report their nominations to the Corresponding Secretary in writing. The Committee's report shall be reported early enough that timely notice may be given by the Corresponding Secretary to the

members in the May meeting. Upon receipt of the Nominating Committee's report, the Corresponding Secretary shall notify each member in writing, pursuant to Article VII, Section 5 of these Bylaws, of the candidates nominated at least ten (10) days prior to the May Corporation meeting. Nominations cannot be made at the annual meeting or in any manner other than as provided in this Section.

Section 3. NOMINATIONS FROM THE FLOOR. Additional nominations may be made at the May meeting by any member in attendance provided that the person so nominated does not decline when his name is proposed and provided further that if proposer shall present to the Corresponding Secretary a written statement from the proposed candidate signifying willingness to be a candidate.

Section 4. SOLICITATION OF VOTES. The Board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and reasons for the nominee's candidacy, a reasonable opportunity for all nominees to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

Section 5. USE OF CORPORATE FUNDS TO SUPPORT NOMINEE. Without Board authorization, no corporate funds may be expended to support a nominee for Director after more people have been nominated for Director than can be elected.

Section 6. ELECTION TO OFFICE. Directors shall be elected by secret ballot from those nominated in accordance with Sections 2-3 of this Article XI. They shall take office immediately upon the conclusion of the election. Each retiring Director shall turn over to that successor in office all properties and records relating to that office within thirty (30) days after the election. The nominated candidate receiving the greater number of votes for each office shall be declared elected. The nominated candidates for other positions on the Board who receive the greatest number of votes for such positions shall be declared elected.

ARTICLE XII **DIRECTORS**

Section 1. POWERS.

(a) **General Corporate Powers.** Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations in the articles of incorporation and Bylaws regarding actions that require the approval of the members, the Corporation's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the Board's direction.

(b) **Specific Powers.** Without prejudice to the general powers set forth in Article XII, Section 1(a) of these Bylaws, but subject to the same limitations, the Directors shall have the power to:

(i) Appoint and remove at the pleasure of the Board all the Corporation's officers, agents, and employees; prescribe powers and duties for them that are

consistent with the law, with the articles of incorporation, and with these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

(ii) Change the principal office or the principal business office in California from one location within the greater Roseville, California area to another location within the greater Roseville, California area.

(iii) Adopt and use a corporate seal.

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

Section 2. NUMBER AND QUALIFICATIONS OF DIRECTORS.

The authorized number of Directors shall be eight (8). A person who is a member in good standing and who has been elected to the Director position under the provisions of Article XI shall be deemed to be qualified to serve as a Director.

Section 3. DESIGNATION AND TERM OF OFFICE.

All eight (8) Directors elected in compliance with the procedure delineated in Article XI shall hold office until the next annual meeting; however, if any such Directors are not elected at any annual meeting, they may be elected at any special members' meeting held for that purpose or by written ballot. Each such Director, including a Director elected to fill a vacancy or elected at a special members' meeting or by written ballot, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. VACANCIES ON BOARD

(a) **Events Causing Vacancy.** A vacancy or vacancies on the Board shall exist on the occurrence of the following:

(i) The death or resignation 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 an order of the court or convicted of a felony, or, if the Corporation holds assets in charitable trust, has been found by a final order or judgment of any court to have breached a duty arising under Section 7238 of the California Corporations Code;

(iii) The vote of the members or, if the Corporation has fewer than fifty (50) members, the vote of a majority of all members, to remove any Director(s). Any vote to remove a Director shall be based upon conduct by said Director which is prejudicial to the best interests of the Corporation and/or Breed. Any reason less serious than would warrant the filing of disciplinary charges for such conduct shall be insufficient grounds for removal of a Director;

(iv) The increase of the authorized number of Directors; or

(v) The 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) **Resignations.** Except as provided below, any Director may resign by giving written notice to the Chairman of the Board, if any, or to the President or the Secretary of the Board. The resignation shall be effective when the notice is given, unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board may elect a successor to take office when the resignation becomes effective.

(c) **Filling Vacancies.** Except for vacancies created by removal of a Director by the members, vacancies on the Board may be filled by a majority of the Directors then in office, whether or not less than a quorum, or by a sole remaining Director. The members may fill any vacancy or vacancies not filled by the Directors.

(d) **No Vacancy on Reduction of Number of Directors.** No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

ARTICLE XIII **DIRECTORS' MEETINGS**

Section 1. PLACE OF MEETINGS. Meetings of the Board shall be held at any place within the greater Roseville, California area that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the principal office of the Corporation.

Section 2. MEETINGS BY TELEPHONE. Any meeting may be held by conference telephone or similar communication equipment, as long as all Directors participating in the meeting can hear one another. All such Directors shall be deemed to be present in person at such a meeting.

Section 3. ANNUAL MEETING. Immediately after each annual meeting of members, the Board shall hold a regular meeting for purposes of organization, election of officers, and the transaction of other business. Notice of this meeting is not required.

Section 4. OTHER REGULAR MEETINGS. Other regular meetings of the Board shall be held at least six (6) times a year within the greater Roseville, California area at such a hour, date, and place designated by the Board.

(a) **Notice.** Written notice of each meeting shall be mailed by the Corresponding Secretary at least five (5) days prior to the date of the meeting.

(b) **Order of Business.** At a regular meeting of the Board of Directors of Corporation, the order of business, unless otherwise directed by a majority vote of those present shall be as follows:

- (i) Reading of the minutes of the last meeting;
- (ii) Report of the Recording Secretary;
- (iii) Report of the Corresponding Secretary;
- (iv) Report of the Treasurer;
- (v) Report of Committees;
- (vi) Unfinished business; and
- (vii) Adjournment.

Section 5. SPECIAL MEETINGS.

(a) **Authority to Call.** Special meetings of the Board for any purpose may be called at any time by the President or by the Corresponding Secretary upon written request signed by two members of the Board.

(b) **Notice.**

(i) **Manner of Giving Notice.** Notice of the time and place of special meetings shall be mailed to each Director by the Corresponding Secretary. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Corporation.

(ii) **Time Requirements.** Notices sent by first-class mail shall be deposited in the United States mails at least ten (10) days before the time set for the meeting.

(iii) **Notice Contents.** The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation. It shall specify the purpose of the meeting.

(c) **Place.** Special meetings shall be held within the greater Roseville area.

(d) **Time.** Special meetings may be held at the time, date, and place designated by the person(s) calling the Special Board meeting.

Section 6. QUORUM. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, those provisions relating to:

(a) Approval of contracts or transactions between the Corporation and one or more Directors or between the Corporation and any entity in which a Director has a material financial interest'

- (b) Creation of and appointments to committees of the Board; and
- (c) Indemnification of Directors.

A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 7. 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, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him.

Section 8. ADJOURNMENT. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

Section 9. NOTICE OF ADJOURNED MEETING. Notice of the time and place of holding an adjourned meeting need not be given, unless the original meeting is adjourned for more than twenty four (24) hours. If the original meeting is adjourned for more than twenty four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

ARTICLE XIV ACTION WITHOUT A MEETING

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

ARTICLE XV COMPENSATION AND REIMBURSEMENT

Directors may receive such compensation, if any, for their services and such reimbursement of expenses as may be determined by Board resolution to be just and reasonable as to the Corporation at the time the resolution is adopted.

ARTICLE XVI COMMITTEES

Section 1. AUDIT COMMITTEE. The Board shall appoint an audit committee at the July meeting which shall consist of at least three (3) members. The committee shall examine the records of the Treasurer and report its findings to the Corporation at the August meeting.

Section 2. STANDING COMMITTEES. The Board may each year appoint standing committees to advance the work of the Corporation in such matters as Specialty show, obedience trials, trophies, annual prizes, membership and other fields which may be well served by committees.

Section 3. ADDITIONAL SPECIAL COMMITTEES OF THE BOARD. The Board, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, may create one (1) or more additional committees, each consisting of two (2) or more Directors and no persons who are not Directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the authorized number of Directors. The Board may appoint one (1) or more Directors as alternative members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the Board resolution, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

- (a) Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- (b) Fill vacancies on the Board or on any committee that has the authority of the Board;
- (c) Fix compensation of the Directors for serving on the Board or on any committee;
- (d) Amend or repeal Bylaws or adopt new Bylaws;
- (e) Amend or repeal any Board resolution that by its express terms is not so amendable or repealable;
- (f) Create any other committees of the Board or appoint the members of committees of the Board;
- (g) Expend corporate funds to support a nominee for Director after more people have been nominated for Director than can be elected; or
- (h) With respect to any assets held in charitable trust, approve any contract or transaction between the Corporation and one or more of its Directors or between the Corporation and an entity, in which one or more of its Directors have a material financial interest, subject to the special approval provisions of Section 5233(d)(3) of the California Corporations Code.

Section 4. MEETINGS AND ACTION OF COMMITTEES. Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with, the provisions of these Bylaws concerning meetings and other Board actions except that the time for regular meetings of such committees and calling of special meetings of such committees may be determined either by Board resolution, or, if there is none, by resolution of the committee. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any committee that are

consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

Section 5. TERMS. Terms for all elected committees shall be for one (1) year. Any committee appointment may be terminated by a majority vote of the full membership of the Board upon written notice to the appointee(s). The Board may appoint successors to those persons whose services have been terminated.

ARTICLE XVII **OFFICERS**

Section 1. OFFICERS OF THE CORPORATION. The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer. The Corporation may also have, at the Board's discretion, a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with Article XVII, Section 3 of these Bylaws.

Section 2. APPOINTMENT OF OFFICERS. The officers shall be appointed by the Board and serve at the pleasure of the Board, subject to the rights, if any, of an officer under contract of employment.

Section 3. OTHER OFFICERS. The Board may appoint and may authorize the Chairman of the Board, if any, the President, or other officer to appoint any other officers that the Corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined by the Board.

Section 4. REMOVAL OF OFFICERS. Removal of an officer shall be based upon conduct which is prejudicial to the best interests of the Corporation and/or Breed. Any reason less serious than would warrant the filing of disciplinary charges for such conduct shall be insufficient grounds for removal of an officer.

Section 5. RESIGNATION OF OFFICERS. Any officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 6. VACANCIES IN OFFICE. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

ARTICLE XVIII
DUTIES AND RESPONSIBILITIES OF OFFICERS

Section 1. CHAIRMAN OF THE BOARD. If a Chairman of the Board is elected, he shall preside at Board meetings and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no President, the Chairman of the Board shall also be the Chief Executive Officer and shall have the powers and duties prescribed by these Bylaws for the President of the Corporation.

Section 2. PRESIDENT. Subject to such supervisory powers as the Board may give to the Chairman of the Board, if any, and subject to the control of the Board, the President shall be the general manager of the Corporation and shall supervise, direct, and control the Corporation's activities, affairs, and officers. The President shall preside at all members' meetings and, in the absence of the Chairman of the Board, or, if there is none, at all Board meetings. The President shall report to the members at every meeting on matters pertaining to the Corporation. The President shall have such other powers and duties as the Board or Bylaws may prescribe.

Section 3. VICE PRESIDENT. In the absence or disability of the President, the Vice President, if any, shall perform all duties of the President. When so acting, a Vice President shall have all powers of and be subject to all restrictions on the President. The Vice President shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 4. SECRETARY The Secretary shall keep, or cause to be kept, a book of minutes of all meetings, proceedings, and actions of the Board, of committees of the Board, and of members' meetings at the Corporation's principal office or such other place as the Board may direct. The minutes of meetings shall include the time and place of holding, whether the meeting was annual, regular, or special and, if special, how authorized, the notice given, the names of those present at Board and committee meetings, and the number of members present or represented at members' meetings. The Secretary shall keep, or cause to be kept, a copy of the articles of incorporation and Bylaws, as amended to date, at the principal office in California. The Secretary shall keep, or cause to be kept, a record of the Corporation's members at the Corporation's principal office or at a place determined by Board resolution. Said record shall show each member's name, address, and class of membership. The Secretary shall report to the Board at every meeting on any matters pertaining to corporate record keeping and corporate correspondence. The Secretary shall give, or cause to be given, notice of all meetings of members, of the Board, and of committees of the Board, which are required by these Bylaws to be given. The Secretary shall have charge of all correspondence and notify new members of their election to membership. The Secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe. The Secretary shall report to the members at every meeting on any matters pertaining to corporate correspondence.

Section 5. TREASURER

(a) **Books of Account.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall give, or cause to be given, to the members and Directors such financial statements and reports as are required by law, by these Bylaws, or by the Board to be given. The books of account shall be open to inspection by any Director at all reasonable times. The Treasurer shall report to the Board at every meeting on the condition of the Corporation's finances. The Treasurer shall report to the members at every meeting on the condition of the Corporation's finances. The Treasurer shall render an account at the annual meeting on all monies received and expended in the past fiscal year.

(b) **Deposit and Disbursement of Money and Valuables.** The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the President, Chairman of the Board, if any, and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(c) **Bond.** Bonding shall be optional, until the treasury reaches a minimum of \$5,000, after which, a bond shall be required. The Treasurer shall be bonded in such amount as may be determined by the Board, the expense to be borne by the Corporation. The bond shall be in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Treasurer on his or her death, resignation, retirement, or removal from office.

**ARTICLE XIX
INDEMNIFICATION**

Section 1. RIGHT OF INDEMNITY. On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 6237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting of members. At that meeting, the members shall determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the members present at the meeting in person shall authorize indemnification.

Section 2. APPROVAL OF INDEMNIFICATION. On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Sections

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

Section 3. ADVANCEMENT OF EXPENSES. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Article XIX, Section 1 of these Bylaws in defending any proceeding covered by that Section shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

ARTICLE XX **INSURANCE**

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

ARTICLE XXI **RECORDS AND REPORTS**

Section 1. MAINTENANCE OF CORPORATE RECORDS. The Corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Written 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.

Section 2. MEMBERS' INSPECTIONS RIGHTS

(a) **Membership Records.** Subject to Division 2, Part 3, Chapter 13, Article 3 (commencing at Section 8330) of the California Corporations Code and 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:

- (i) Inspect and copy the records of members' names, addresses, and voting rights during usual business hours on five (5) days' prior written demand on the

Corporation, which demand must state the purpose for which the inspection rights are requested;
or

(ii) Obtain from the Secretary of the Corporation, 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 the election of 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 (10) days after (1) the demand is received or (2) the date specified in the demand as the date as of which the list is to be compiled.

The Corporation may, within ten (10) 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 that 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. Any right of inspection extends to the records of any subsidiary of the Corporation.

(b) **Accounting Records and Minutes.** On written demand of 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. Any right of inspection extends to the records of any subsidiary of the Corporation.

Section 3. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. The Corporation shall keep the original or a copy of the articles of incorporation and Bylaws, as amended to date, at its principal office. The original or a copy of the articles of incorporation and Bylaws, as amended to date, shall be open to inspection by the members at all reasonable times by appointment only.

Section 4. INSPECTION BY DIRECTORS. Every Director shall have the absolute right at any reasonable time to inspect the Corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries, if any. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 5. ANNUAL REPORT.

(a) An annual report shall be prepared within one hundred and twenty (120) days after the end of the Corporation's fiscal year. That report shall contain the following information in appropriate detail:

(i) A balance sheet as of the end of the fiscal year, and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by the certificate of an authorized officer of the Corporation that they were prepared without audit from the books and records of the Corporation;

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

(iii) Any information that is required by Article XXI, Section 6.

(b) The Corporation shall notify each member annually of the member's right to receive a financial report under this Section. Except as provided in Article XXI, Section 5(c) of these Bylaws, on written request by a member, the Board shall promptly cause the most recent annual report to be sent to the requesting member.

(c) This Section shall not apply if the Corporation receives less than ten thousand dollars (\$10,000) in gross revenues or receipts during the fiscal year.

Section 6. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. As part of the annual report to all members, or as a separate document if no annual report is issued, the Corporation shall annually prepare and mail or deliver to its members and furnish to its Directors a statement of any transaction or indemnification of the following kinds within one hundred and twenty (120) days after the end of the Corporation's fiscal year:

(a) Unless approved by members under Section 7233(a) of the California Corporations Code, any transaction:

(i) To which the Corporation, its parent, or its subsidiary was a party;

(ii) Which involved more than fifty thousand dollars (\$50,000) or was one of a number of such transactions with the same person involving, in the aggregate, more than fifty thousand dollars (\$50,000); and

(iii) In which either of the following interested persons had a direct or indirect material financial interest (a mere common Directorship is not a material financial interest):

(1) Any Director or officer of the Corporation, its parent, or its subsidiary;

(2) Any holder of more than ten percent (10%) of the voting power of the Corporation, its parent, or its subsidiary.

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

(b) A brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or Director of the Corporation under Article XIX, Sections 1-3 of these Bylaws, unless the loan, guaranty, indemnification, or advance has already been approved by the members under Section 5034 of the California Corporations Code, or the loan or guaranty is not subject to the provisions of subdivision (a) of Section 7235(a) of that Code.

ARTICLE XXII

CONSTRUCTION AND DEFINITIONS

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

ARTICLE XXIII

AMENDMENTS

Section 1. AMENDMENT BY BOARD.

(a) **Membership Rights Limitation.** Subject to the rights of members under Article XXIII, Sections 1(d)-1(e) of these Bylaws, the Board may adopt, amend, or repeal Bylaws unless the action would:

- (i) Materially and adversely affect the members’ rights as to voting, dissolution, redemption, or transfer;
- (ii) Increase or decrease the number of members authorized in total or for any class;
- (iii) Effect an exchange, reclassification, or cancellation of all or part of the memberships; or
- (iv) Authorize a new class of membership.

(b) **Changes to Number of Directors.** Once members have been admitted to the Corporation, the Board may not, without the approval of the members, specify or change any bylaw provision that would:

- (i) Fix or change the authorized number of Directors;
- (ii) Fix or change the minimum or maximum number of Directors; or
- (iii) Change from a fixed number of Directors to a variable number of Directors or vice versa.

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

(d) **Members' Approval Required.** Without the approval of the members, the Board may not adopt, amend, or repeal any bylaw that would:

- (i) Increase or extend the terms of Directors;
- (ii) Allow any Director to hold office by designation or selection rather than by election by a member or members;
- (iii) Increase the quorum for members' meetings;
- (iv) Create and thereafter expand, or otherwise change, proxy rights; or
- (v) Authorize cumulative voting.

(e) **Amendment by Members.** New Bylaws may be adopted or these Bylaws may be amended or repealed by written petition addressed to the Recording Secretary signed by twenty percent (20%) of the membership in good standing, provided, however, that any such adoption, amendment, or repeal also requires approval by the members of a class if that action would:

- (i) 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;
- (ii) 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;
- (iii) Increase or decrease the number of memberships authorized for that class;
- (iv) Increase the number of memberships authorized for another class;
- (v) Effect an exchange, reclassification, or cancellation of all or part of the memberships of that class; or
- (vi) Authorize a new class of memberships.

Amendments proposed by such petition shall be promptly considered by the Board of Directors and must be submitted to the members with recommendations of the Board by the Recording Secretary within three (3) months of the date when the petition was received by the Recording Secretary.

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.

ARTICLE XXIV
DISSOLUTION

The Corporation may be dissolved at any time by the written consent of not less than two thirds (2/3) of the voting members in good standing. In the event of the dissolution of the Corporation other than for purposes of reorganization, whether voluntary or involuntary or by operation of law, none of the property or assets of the Corporation, nor any proceeds thereof, shall be distributed to any members of the Corporation. After payment of the debts of the Corporation, its property and assets, and/or any proceeds thereof, shall be given to a charitable organization for the benefit of dogs selected by the Board of Directors.

ARTICLE XXV
PARLIAMENTARY AUTHORITY

The rules contained in the current edition of Robert's *Rules of Order*, Newly Revised, shall govern the Corporation in all cases to which they are applicable to the extent that they are not inconsistent with these Bylaws and/or any other special rules of order which the Corporation may adopt.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of Sierra Gold Boston Terrier Club, a California nonprofit mutual benefit Corporation, that the above Bylaws, consisting of twenty seven (27) pages, are the Bylaws of this Corporation as adopted by the Board of Directors on _____, 2004, and that they have not been amended or modified since that date.

Executed on _____, 2004 at _____, California.

Anna Crockett
Secretary