

**Amended and Restated Bylaws of San Dieguito Art Guild  
EIN 95-3169585  
January 27, 2025**

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## **ARTICLE I THE CORPORATION**

### **Section 1. Name**

The name of this Corporation is San Dieguito Art Guild and is hereafter referred to as the Corporation, or Organization.

### **Section 2. Location**

The Principal Office of the Guild is hereby fixed and located at the Off Track Gallery, 937 South Coast Highway 101, Lumberyard Shopping Center, Suite C-103, Encinitas, California 92024. The Board of Directors is hereby granted full power and authority to change said Principal Office from one location to another in the County of San Diego. Any such change shall be noted by the Secretary which shall not be considered an amendment of these Bylaws.

### **Section 3. Duration**

The Corporation shall have perpetual existence.

### **Section 4. Dissolution**

Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for payment of all liabilities and debts of the Corporation including the costs and expenses of such dissolution, dispose of all the assets of the Corporation exclusively for the exempt purposes of the Corporation or distributed to an organization described in Section 501 (C)(3) or 170 (C)(2) of the Internal Revenue Code, 1986 or the corresponding provisions of any future federal law as shall be selected by the last Board of Directors. None of the assets will be distributed to any Officer or Director of the Corporation. Any such assets so disposed of shall be disposed of by, and in the manner designated by, the state laws of California.

## **ARTICLE II PURPOSE AND RESTRICTIONS**

### **Section 1. Purpose**

The Corporation is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, 1986, or the corresponding provision of any future federal law.

### **Section 2. Restrictions on Actions**

- A. The assets and earnings of the Corporation shall be used exclusively for its exempt purposes, including the payment of expenses incidental thereto. No part of any net earnings shall inure to the benefit of any employee of the Corporation or be distributed to its Directors, Officers, or any private person, except that the Corporation shall be empowered to pay reasonable compensation for services rendered and make payments and distributions in furtherance of the purposes set forth in these Bylaws.
- B. Notwithstanding any other provision of these Bylaws, the Corporation will not carry on any activities not permitted by an organization exempt under Section 501(c)(3), Internal Revenue Code, 1986, or the corresponding provision of any future federal law, or organizations whose contributions which are exempt under Section 170(0)(2), Internal Revenue Code, 1986, or the corresponding provision of any future federal law. The Corporation shall have no capital stock, pay no dividends, distribute no part of its net

income or assets to any Directors, Officers, and private property of the subscribers. Directors or Officers shall not be liable for the debts of the Corporation.

- C. No substantial part of the Corporation's activity shall be for the carrying on of a campaign of propaganda or otherwise attempting to influence legislation. The Corporation shall not participate in any political campaign, will not engage in political campaigns or attempt to influence legislation or interfere with any political campaign on behalf or in opposition to any candidate for public office.

## **ARTICLE III MEMBERSHIP**

### **Section 1. Membership**

The Corporation shall have voting members.

### **Section 2. Classification Of Members**

Membership in the Guild shall be classified as Adult, Adult Household, Honorary, Lifetime and Patron.

- A. **Adult Members:** Members are those persons who are at least 18 years of age, have applied for membership, and are current on their membership dues. The Board of Directors has oversight over membership applications.
- B. **Adult Household Members:** Two adults in the same household.
- C. **Honorary Members:** Honorary Membership may be given at the discretion of the Board of Directors to those individuals who are not members and who have devoted service to the organization considered to be special and/or sustained.
- D. **Lifetime Members:** The Board of Directors may give a Lifetime Membership to a member who has shown personal sacrifice and devotion to the organization.
- E. **Patron Members:** Patron members shall be members contributing an amount set by the Board of Directors.

### **Section 3. Qualification for Membership**

Application for membership shall be in such form as shall be prescribed by the Board of Directors.

### **Section 4. Termination/Suspension of Membership**

The Board of Directors may suspend and/or terminate any Member for good cause. Reasons may include but are not limited to: failure to comply with corporate Bylaws, contracts, or other corporate rules; disruptive behavior at meetings or other corporate venues; misrepresenting the originality of one's work; theft; or nonpayment of money owed to the Corporation. A Member will be notified of the suspension and/or termination by either the email or mail address currently on file with the Corporation within 15 days of the effective date of suspension and/or termination. If the Member wishes to dispute the charges, the Member must respond within 10 days either

orally or in writing to the board president. The Member will then be notified of the final decision before the effective date of suspension and/or termination.

## **Section 5. Members' Meetings**

- A. **Participation:** Members may participate and vote in Members meetings in person, electronic transmission to and from the Corporation, electronic video screen communication, conference telephone, or other means of remote communication. The Board of Directors shall determine which of these types of procedures are used.
- B. **When held:** A regular Members' meeting shall be held in each year that Directors are elected for the purpose of conducting corporate business. A special Members' meeting for any lawful purpose may be called by the Board or President.
- C. **Notice:** Whenever Members are required or permitted to take any action at a meeting, a written notice of the Members' meeting shall be given not less than 10 nor more than 90 days before the date of the meeting to each Member entitled to vote. The notice shall be given personally, by electronic transmission, by mail, or by other written communication. The notice shall state the date, time, and place of the meeting as determined by the Board of Directors and, if applicable, the means of electronic transmission by and to the Corporation, electronic video screen communication, conference telephone, or other means of remote communication by which Members can participate in the meeting. Notice must also state the general nature of business to be transacted and no other business may be transacted.
- D. **Voting:**
  - a. Voting shall be by voice, show of hands, written ballot or by internet communication as determined by the Board of Directors.
  - b. Only Members shall be entitled to vote. Proxies are not permitted.
  - c. For those votes that require a quorum of voting Members, and except as otherwise provided in the Bylaws, 15% of the eligible Membership shall constitute a quorum. Once a quorum is reached, the affirmative vote by a majority of Members shall be the act of the Members.
  - d. The person receiving the highest number of votes cast shall be elected to each of the 15 positions being filled.
  - e. In the event a majority is not received by any one person for a position on the first ballot, a second vote shall be conducted in a run-off election between the two persons who received the greatest number of votes on the first ballot, and the one receiving a majority shall be elected to the position. Tie votes shall be determined by the outgoing Board of Directors.
- E. **Remote Meetings:** Members' meetings conducted solely electronic or remote communication may be conducted if the Corporation implements reasonable measures to provide Members a reasonable opportunity to participate concurrently with other Members, maintains a record of any actions taken, and verifies each person casting a vote is a Member. Each Member is responsible for his or her audio and internet connections. No action shall be invalidated on the grounds that the loss of or poor quality of a Member's individual connection prevented participation in the meeting. The meeting

host may cause or direct the disconnection or muting of a Member's connection if it is causing undue interference with the meeting.

- F. **Action/Vote Without a Meeting:** Per California Corporations Code sections 5513 etc, any action which may be taken at any regular or special meeting of Members may be taken without a meeting if the Corporation distributes a written ballot to every Member entitled to vote on the matter. The Corporation may send the ballot and any related material by electronic transmission and responses may be returned by electronic transmission. The ballot shall state the proposed action, provide an opportunity to approve or disapprove the proposal, and provide a reasonable time to return the ballot. Except for ballots for election of Directors, ballots must indicate the number of responses needed to pass the proposed action. A quorum must be reached. The ballot must specify when it must be received in order to be counted. Additionally, per California Corporations Code Section 5516, any action required or permitted to be taken by the members may be taken without a meeting, if all members shall individually or collectively 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 IV BOARD OF DIRECTORS**

### **Section 1. Elections and Terms**

The Corporation shall designate a Board of Directors who shall initially be appointed by a majority of the incorporators to serve as Directors until such Director's death, resignation, or removal as provided in these Bylaws. Thereafter, Directors shall be elected by the voting Members to serve for a term one year, and may be reelected to successive terms.

### **Section 2. Number**

The number of Directors shall be at least three but no more than fifteen.

### **Section 3. Qualifications**

To serve as a Director, preference will be given to an individual with prior experience serving on a nonprofit board or with a general business background.

### **Section 4. Powers**

The Board of Directors shall have all corporate authority except such powers as are otherwise provided in these Bylaws and the laws of the State of California, to conduct the affairs of the Corporation in accordance with these Bylaws. The Board of Directors may by general resolution delegate to committees of their own number, or to Officers of the Corporation such powers as they deem appropriate.

### **Section 5. Quorum**

A quorum shall consist of a majority of the Directors then in office. If at any meeting less than a quorum is present, the majority may adjourn the meeting without further notice to absent Directors.

## **Section 6. Vacancy**

Any vacancy occurring in the Board of Directors or Officers shall be filled by majority vote of the remaining Directors, though less than a quorum. Vacancies occurring by reason of a Director removal must be approved by the Members. Each person so elected shall serve until the duration of the unexpired term. A Director may take a leave of absence if approved by a majority of the Board of Directors then in office. The substitute Director may be appointed by the Board as described in this Bylaw provision and serve until the absent Director returns or the absent Director's term ends.

## **Section 7. Removal of Directors**

Directors may be suspended and/or removed with or without cause for reasons and by procedures consistent with California Corporations Code 5222 and 5223. In addition, removal of a Director for cause shall include: more than three unexcused absences in any twelve month period (absences approved ahead of time by the Board President are excused absences); multiple repeated non-performance of board duties; material failure to comply with organizational Bylaws, contracts or other corporate rules; material disruptive behavior at meetings or other corporate venues; theft; fraud; undisclosed conflict of interest; or nonpayment of moneys owed to the Corporation.

## **Section 8. Compensation**

Directors shall receive no monetary compensation for their service.

## **Section 9. Related Persons**

There must always be a majority vote of the Board of Directors who are non-related (family) and non-paid Directors.

## **Section 10. Directors' Meeting**

- A. **Regular Meetings:** Regular meetings of the Board may be held without notice if the time and place of the meetings are fixed by the Bylaws or the Board.
- B. **Special Meetings:** Special meetings of the Board shall be held upon four days' notice by first-class mail or 48 hours' notice delivered personally or by telephone, including a voice messaging system or by electronic transmission by the corporation.
- C. **Remote Meetings:** Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other electronic transmission in compliance with these Bylaws so long as each Director participating in the meeting can communicate with all of the other Directors concurrently; and each Director is provided with the means of participating in all matters before the Board. Each Director is responsible for his or her audio and Internet connections. No action shall be invalidated on the grounds that the loss of or poor quality of a Director's individual connection prevented participation in the meeting. The meeting host may cause or direct the disconnection or muting of a Director's connection if it is causing undue interference with the meeting.

- D. **Annual Directors' Meetings:** Directors may meet each year for the purpose of the organization, the election of Officers, and transaction of other business. The time and location of such a meeting shall be noticed in writing.
- E. **Action/Vote Without a Meeting:** Any action required or permitted to be taken by the Board may be taken without a meeting if all Directors unanimously consent to the action in writing. All requirements of section 5211(b) of the California Corporations Code are met. Each Director shall have one vote on each matter presented to the Board for action. A Director shall not vote by proxy. These rules also apply to Board Committees. A Director may provide the written consent by email or other electronic transmission, as long as the requirements of these Bylaws are met. These written consents shall be filed with the Minutes of the proceedings of the Board and have the same force and effect as a unanimous vote taken during a meeting.

### **Section 11. Waiver of Notice**

Attendance at any meeting shall be considered a waiver of the notice requirement.

### **Section 12. Committees of the Board of Directors**

- A. **Executive Committee:** The Board shall establish an Executive Committee of the Board. The members of the Executive Committee shall be the President, Vice President, Treasurer, Secretary, and immediate past President. If the immediate past President is currently the Vice President, Treasurer or Secretary, the President may invite another Board Member in order to maintain an uneven number.
- a. The President shall be excused from meetings where the subject is the evaluation of the President.
  - b. The Executive Committee's primary responsibilities shall be oversight of business and operations of the Corporation. Additionally, the Executive Committee shall address sensitive issues regarding personnel, finance, and other items needing attention as identified by the President.
  - c. Providing all of its members are voting Directors, all rights, privileges and powers conferred by law or by these Bylaws upon the Board of Directors shall be vested in the Executive Committee (and any other committee to which the Board shall have delegated its authority);
  - d. Provided that the Executive Committee shall not exercise such rights, privileges and powers unless immediate action is required or it is infeasible to hold a meeting of the Board of Directors.
  - e. The President shall be the chair of the Executive Committee, who shall have the power to call meetings of the Executive Committee and who shall preside at all meetings of the Executive Committee.
  - f. A majority of the voting members of the Executive Committee shall constitute a quorum.
  - g. Notice of meetings of the Executive Committee, if any, shall be given and such meetings shall be called and conducted in the same manner as in these Bylaws provided for notice of meetings of the Board and the call and conduct of such meetings.
  - h. If the Executive Committee is compelled to assume its obligation to act on behalf of the Board, minutes of the meeting at which such action is taken shall be made

and kept in the same manner as in these Bylaws provided for the keeping of minutes of the meetings of the Board of Directors except that they are not open to the public, and copies thereof shall be made available to each member of the Board of Directors upon request within one (1) month after the holding of any such meeting. An Executive Committee decision can be overturned by a majority vote of the Board.

- B. **Gallery Committee:** The Gallery Committee is responsible for the smooth and efficient daily operations of the gallery, all events associated with the gallery, and recommending policy changes concerning the gallery to the Board.
- C. **Nominating Committee:**
  - a. The President shall appoint a Nominating Committee of three individuals who must be members but only one shall be an elected Director.
  - b. The Nominating Committee shall propose and vet a slate of at least one candidate for each of the Directors positions for election.
  - c. The Nominating Committee shall cause to be prepared an official ballot upon which shall appear the elective positions on the Board of Directors and the names of all persons nominated under each.
  - d. This Committee need not take minutes provided it regularly apprises the Board of its progress.

### **Section 13. Officers of the Board**

- A. **Designation of Officers:** The officers of the Corporation shall be the President, Vice President, Secretary, and Treasurer, and they shall have authority to carry out the duties prescribed in these bylaws. The initial officers of the Corporation shall be designated by the incorporators. One person may hold more than one office, except no person may simultaneously hold the office of President and Secretary.
- B. **Election and Term:** Officers of the Corporation shall be elected annually by the Members shall serve for one year or until their replacements are appointed by the Directors.
- C. **Removal:** Officers who are also Directors may be suspended and/or removed with or without cause for reasons and by procedures consistent with California Corporations Code 5222 and 5223. In addition, removal of an Officer/Director for cause shall include: more than three unexcused absences in any twelve-month period (absences approved ahead of time by the Board President are excused absences); multiple repeated nonperformance of Board duties; material failure to comply with corporate Bylaws, contracts or other corporate rules; material disruptive behavior at meetings or other corporate venues; theft; fraud; undisclosed conflict of interest; or nonpayment of moneys owed to the Corporation.
- D. **Compensation:** Officers of the Corporation can receive reasonable compensation as fixed by the Board of Directors. The fact that any officer is also a Director shall not preclude receipt of reasonable compensation for services provided in these Bylaws.

**E. Duties Of Office: President**

- a. The President is the Chief Executive Officer of this Corporation and will manage the affairs of the Corporation. The President will perform all duties incident to the office of President and any other duties that may be required by these Bylaws or prescribed by the Board of Directors. The President shall not serve more than two consecutive terms.
- b. The President of the Corporation shall be an ex-officio member of the Board with all of the rights and privileges of a Director, including the right to vote as a Director.
- c. Subject to the control of the Board of Directors, the President shall have general supervision, direction and control of the business and affairs of the Corporation. She or he shall preside at all meetings of the Members and Directors and shall have such other powers and duties as may be prescribed from time to time by the Board of Directors.
- d. She or he shall set the agenda and preside at all meetings of members and meetings of the Board of Directors.
- e. The President shall, subject to the approval of the Board of Directors, appoint Chairs of standing committees and the Nominating Committee, and shall be ex-officio member of all committees, except the Nominating Committee, and shall further represent the Corporation in all community affairs and activities concerning the Corporation, either in person or by a designated agent.
- f. The President shall not serve more than two consecutive terms

**F. Duties of the Office: Vice-President**

- a. The Vice President, in the absence or disability of the President, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to the restrictions upon, the President.
- b. The Vice President is the Membership Chair and shall be in charge of all membership drives, for renewing honorary memberships, for Membership Application Form update and availability, and update of the Gallery Roster with new member information and publication in the newsletter of new member information.
- c. The Membership Chair shall perform such other duties as may be prescribed from time to time by the Board of Directors.

**G. Duties of the Office: Secretary**

The Secretary shall keep and maintain the minutes of all meetings of the Board of Directors with the time and place of holding, how called or authorized, the notice thereof given, the names of those present at Board of Directors meeting and at Annual Membership Meetings. The Secretary shall have custody of the Seal of the Corporation and shall perform such other duties as may be prescribed from time to time by the Board of Directors.

**H. Duties of the Office: Treasurer**

- a. The Treasurer shall receive and safely keep all funds of the Corporation and deposit the same in such bank or banks as may be designated by the Board of Directors. Such funds shall be paid out only on the check or debit card of the

Corporation signed by such Directors designated by the Board of Directors as authorized to sign the same.

- b. The Treasurer is responsible for submitting the proper paperwork to an accountant for computing federal taxes and for submission of the proper paperwork to the state and federal governments
  - c. The Treasurer is responsible for producing for the members an annual financial statement at the Annual Membership Meeting which accurately reflects the current financial position and financial transactions of the Corporation.
  - d. The Treasurer shall keep and maintain adequate and correct books of the accounts showing the receipts, and disbursements of the Corporation, an account of its cash and other assets if any, and provide a monthly financial update for the Board of Directors. Such books of accounts shall, at reasonable times, be open to inspection by any Member or Director.
  - e. The Treasurer will have online banking authority, including signing bank drafts through the term of the Treasurer.
  - f. The Treasurer shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.
- I. **Duties of the Office: Parliamentarian.**

The Parliamentarian, though neither a Director nor Officer, shall facilitate the President in parliamentary procedure, shall keep a record of all motions, seconds to motions and outcome of votes taken by the Board of Directors and at the Annual General Meeting of Members for future use and reference. The outgoing President has the right-of-first-refusal to fill the role of Parliamentarian and if declined, the Nominating Committee shall nominate another member to the position. The President will then appoint either this nominee or the outgoing President to the position. The Parliamentarian shall also call the first meeting of the Nominating Committee and shall preside at the meeting until a Chair is elected. The Parliamentarian shall perform such other duties as may be prescribed from time to time by the Board of Directors.

## **ARTICLE V FISCAL MANAGEMENT**

### **Section 1. Fiscal Year**

The fiscal year shall begin on September 1 and end on August 31.

### **Section 2. Loans**

No Director, Officer or agent shall have the authority on behalf of the Corporation to enter into a loan or any other contract of indebtedness except by unanimous vote in a specific resolution of the Board of Directors. The authority designated by this provision shall be limited to a single and specific instance.

### **Section 3. Contracts**

The Board of Directors may authorize, by general resolution, a Director or Directors, an agent or agents, in addition to persons authorized by these Bylaws to enter into any contract on behalf of the Corporation.

#### **Section 4. Checks, Drafts and Orders of Payment**

All checks, drafts, notes, or orders of payment or other evidence of indebtedness issued in the name of the Corporation shall be signed by the Officer or Board agent, such as the Board of Directors may from time to time designate by general resolution of the Board of Directors.

#### **Section 5. Deposits**

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

#### **Section 6. Gifts**

The Directors, collectively or individually, any Officer or designated agent may accept gifts, contributions, bequests, or devise of any property on behalf of the Corporation.

### **ARTICLE VI CONFLICT OF INTEREST**

#### **Section 1. Purpose**

The purpose of the conflict of interest provision is to protect this tax-exempt Organization's (San Dieguito Art Guild) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Corporation or might result in a possible excess benefit transaction. This provision is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and tax-exempt organizations.

#### **Section 2. Definitions**

- A. **Interested Person:** Any Director, principal Officer, or member of a committee with Board of Director delegated powers who has a direct or indirect financial interest as defined below is an interested person.
- B. **Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
  - b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.
- C. **Compensation:** Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial.
- D. **Conflict of Interest:** A financial interest is not necessarily a conflict of interest under Article VI, Section 3(B), a person who has a financial interest may have a conflict of interest only if the Board of Directors or Board-designated committee decides that a conflict of interest exists.

### **Section 3. Procedures**

- A. **Duty to Disclose:** In connection with an actual or possible conflict of interest, an Interested Person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of committees with Board of Directors delegated powers considering the proposed transaction or arrangement.
  
- B. **Determining Whether a Conflict Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the Board of Directors or Board-designated committee, the Interested Person shall leave the Board of Directors or Board-designated committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
  
- C. **Procedures for Addressing the Conflict of Interest**
  - a. An Interested Person may make a presentation at the Directors or Board-designated committee meeting but after the presentation, the Interested Person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - b. The President of the Board of Directors or Chairperson of the Board-designated committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - c. After exercising due diligence, the Board of Directors or Board-designated committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or Board-designated committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

### **Section 4. Violations of the Conflict of Interest**

- A. If the Board of Directors or Board-designated committee has reasonable cause to believe an Interested Person has basis for such belief they can afford the Interested Person an opportunity to explain the alleged failure to disclose
  
- B. If after hearing the Interested Person's response and after making further investigation is warranted by the circumstances, the Board of Directors or Board-designated committee determines the Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **Section 5. Record of Proceedings**

The minutes of the Board of Directors or Board-designated committee shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors or Board-designated committee's decision as to whether a conflict of interest in fact existed.
- B. The names of the persons who were present for discussions and vote relation to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

### **Section 6. Compensation**

- A. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- B. A voting member of any committee whose jurisdiction include compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- C. Any voting member of the Board Directorsor any committee whose jurisdiction includes compensation matters and who receives compensation directly or indirectly from the Corporation, either individually or collectively, is prohibited from voting on matters pertaining to that member's compensation.

### **Section 7. Annual Statement**

Each Director, Principal Officer and member of a committee with Board of Directors' delegated powers shall annually sign a statement which affirms such person:

- A. Has received a copy of the Conflicts of Interest Policy,
- B. Has read and understand the policy,
- C. Has agreed to comply with the policy, and
- D. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

### **Section 8. Periodic Review**

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurnment, impermissible private benefit or in an excess benefit transaction.

- C. When conducting periodic reviews, the Corporation may but need not use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

## **ARTICLE VII STATEMENT OF NONDISCRIMINATION**

Notwithstanding any provision of these Bylaws, the Corporation shall not discriminate against any Director, Officer, Member, applicant, or participant on the basis of sex, race, color, ethnicity or national origin.

## **ARTICLE VIII CORPORATE RECORDS**

### **Section 1. Minutes**

The minutes of the Board of Directors and all committees with Board-delegated powers shall contain the minutes of all meetings of Directors and committees of the Board, indicating the time and place of holding such meetings, whether regular or special, and the names of those present and the proceedings thereof.

### **Section 2. Financial**

The Corporation shall maintain adequate and correct books and records of accounts including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses.

### **Section 3. Articles of Incorporation and Bylaws**

A copy of the Corporation's Articles of Incorporation and Bylaws as amended to date shall be open to inspection by the Directors of the Corporation at all reasonable times.

### **Section 4. Record Retention**

The Corporation will ensure compliance with federal and state laws and regulations to eliminate accidental or innocent destruction of records and to facilitate the Corporation's operations by promoting efficiency and freeing up valuable storage space. Included in the federal laws necessitating compliance with this policy is the Sarbanes Oxley Act (The American Competitiveness and Corporate Accountability Act of 2002), which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing official proceeding.

## **ARTICLE IX INDEMNIFICATION AND INSURANCE**

This Corporation shall have the right and shall use its best efforts to purchase and maintain insurance on behalf of its Officers and Directors to cover any liability asserted against or incurred by any Officer and/or Director in such capacity or arising from the Officer's and/or Director's status as such.

## ARTICLE X AMENDMENTS OF BYLAWS AND ARTICLES OF INCORPORATION

### Section 1. Bylaws

These Bylaws may be amended, restated, or repealed and new Bylaws adopted by the vote of a majority of the Board of Directors. This may be done at any Directors meeting. However, a Bylaw fixing or changing the number of Directors may be adopted, amended, or repealed only by the vote or written consent of a majority of a quorum at a meeting of Members duly called for that purpose and which is the vote of the majority of those present and voting.

### Section 2. Articles of Incorporation.

The Articles of Incorporation may be amended or repealed and new Articles adopted by the vote of both a majority of the Board of Directors at any Directors' meeting, and a majority of the Members at a Members' meeting.

### Certification of Secretary

I, the undersigned do hereby certify that I am the duly elected and acting Secretary of the San Dieguito Art Guild, a California nonprofit Corporation, and that the foregoing Bylaws constitute the Bylaws of said Corporation as duly adopted originally by the Board of Directors on January 12, 1967, and incorporating changes and amendment made by votes on January 12, 1970; January 8, 1973; July 11, 1977; May 11, 1996; August 19, 1999; December 7, 2000; September 2006; May 19, 2008; May 24, 2010; January 28, 2011; October 21, 2011; November 14, 2012; February 25, 2013; August 26, 2013; March 22, 2016; February 25, 2019, July 22, 2019, July 26, 2019, April 24, 2020, June 9, 2020, September 5, 2020, March 22, 2021, April 1, 2021, January 27, 2025

Signature ,

Printed name: Ann Nebolon, Secretary