

**BYLAWS
OF
ANAHEIM ARTS COUNCIL**
(A California Nonprofit Public Benefit Corporation)

**ARTICLE I
PURPOSE**

Anaheim Arts Council (the "Council") is formed, organized and operated exclusively for the charitable purpose of raising funds and developing resources to promote and encourage education and participation in and appreciation of all phases of the cultural arts, and for other charitable purposes in conformity with the tax exemption provisions Section 501 (c)(3) of the Internal Revenue Code for charitable organizations, the State of California Nonprofit Public Benefit Corporation Law for charitable purposes, and the Council's Articles of Incorporation.

**ARTICLE II
NAME, LOCATION**

Section 1. Name. The name of this Council is Anaheim Arts Council.

Section 2. Location. The principal office for the transaction of the business and affairs of the Council shall be designated by the Board of Directors. The Board of Directors may change the principal office. 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.

**ARTICLE III
MEMBERS**

Section 1. Honorary Members. The Council shall have honorary members consisting of the council members of the Anaheim City Council, the current individual elected City Mayor, Director of Anaheim Community Services Department and the superintendent of schools/colleges serving Anaheim. Honorary members may attend meetings of the general membership. Each honorary member shall not be entitled to vote.

Section 2. Individual Members. Individual members may attend meetings of the general membership. Each member shall be entitled to cast one vote at a general meeting.

Section 3. Organization Members. Organization members may attend meetings of the general membership. Each organization shall be entitled to cast one vote at a general meeting.

Section 4. Business Members. Business members may attend meetings of the general membership. Each business shall be entitled to cast one vote at a general meeting.

Section 5. Patron Members. Patron members may attend meetings of the general membership. Each member shall be entitled to cast one vote at a general meeting.

Section 6. Membership Dues. Members' annual dues shall be as follows:

Student \$5.00

Individual \$25.00

Organization \$50.00

Business \$50.00

Patron \$100.00 or more

Annual dues may be changed by a vote of the Board of Directors. Dues are payable by members on July 1 of each year. Annual dues are current when paid by July 1 of each fiscal year. If not current within sixty (60) days, the dues are considered delinquent and the member may be dropped from the roster by a majority vote of the Board of Directors.

ARTICLE IV DIRECTORS

Section 1. Powers. Subject to the provisions of the California Nonprofit Public Benefit Corporation Laws and any limitations in the Articles of Incorporation and these Bylaws, the business and affairs of the Council shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors.

Section 2. Number of Directors. The authorized number of members of the Board of Directors of this Council shall be no fewer than seven (7) or more than seventeen (17). The exact number shall be fixed, within those limits, by resolution of the Board of Directors each March.

Section 3. Qualifications of Directors. Except as otherwise provided herein, a director, at the time of election and during the entire term of office, must satisfy all of the following qualifications:

- (a) Possess natural talents, special training or experience, which will benefit the Council.
- (b) Have a general interest in the affairs of the Council and the willingness and ability to devote sufficient time to its discretion.
- (c) Be an individual member, business member, patron, or a representative of an organization for a minimum of a year.

Section 3 Selection of Board of Directors. A Nominating Committee, consisting of no fewer than two (2) Board members and no more than two (2) from the membership, shall be appointed by the President with approval of the Board of Directors at the March meeting. The Committee will report their recommendations to the Board of Directors at the April meeting and will accept all consenting nominees providing they meet the qualifications of Directors as set forth in Article IV, Section 3 of these Bylaws.

Section 4 Selection of Directors and Term of Offices The Directors shall be divided into three classes, with each class consisting of one third of the directors. Directors shall be elected for three (3) year terms to begin upon the expiration of the terms of their predecessors. Directors may be elected or appointed to fill an unexpired term. Directors shall be elected at the May general meeting of the members of this council, which shall be held at a time and place designated by the Board of Directors.

Section 5. Restriction on Interested Directors. No more than forty-nine percent (49%) of the persons serving on the board may be interested persons. An interested person is

(1) any person being compensated by the Council for services rendered to it within the previous twelve (12) months, whether as a fulltime or part-time employee, independent contractor, or otherwise, and

(2) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Council.

Section 6. Vacancies.

(a) Events Causing Vacancy. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of the following:

- (1) the death, resignation or removal of any director,
- (2) the declaration by resolution of the Board of Directors of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under Sections 5230 et seq. of the California Nonprofit Public Benefit Corporation Law,
- (3) the removal by vote to remove the director was given,
- (4) the increase of the authorized number of directors, or
- (5) the failure to select the number of directors required to be selected.

(b) Resignations. Except as provided in this paragraph, any director may resign from the Board of Directors. A resignation shall be effective on giving written notice to the President, the Secretary of the Board of Directors, unless the notice specifies a later time for the resignation to become effective. Except on notice to the Attorney General of California, no Director may resign when the Council would then be left without a duly elected director or directors in charge of its affairs.

(c) Vacancies to be filled by the Board of Directors. A vacancy on the Board of Directors, except a vacancy caused by increase in the authorized number of directors, shall be filled by the approval of the Board of Directors or, if the number of directors then in office is fewer than a quorum, by

- (1) the unanimous written consent of the directors then in office,
- (2) the affirmative vote of a majority of the directors then in office at a meeting held in pursuant to notice of waiver of notice, or
- (3) a sole remaining director. A vacancy caused by increasing the authorized number of directors shall be filled as determined by the Board of 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.

Section 7. Place and Frequency of Meetings: Meetings by Telephone. Meetings of the Board of Directors shall be held at any place within or outside the State of California that has been designated in the notice of the meeting. Any meeting may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear

one another, and all such directors shall be deemed to be present in person at the meeting. Meeting of the Board of Directors shall be held approximately monthly, but not fewer than quarterly per year.

Section 8. Persons Who May Call Special Meetings. Special Meetings of the Board of Directors for any purposes may be called by the President, or upon the written request of fifty **present** (50%) of the members of the Board of Directors. The written request for call of the meeting with its purposes shall be first filed with the Secretary who shall forthwith send the required notice stating that a meeting will be held at a specific time, place, and date fixed by the Board of Directors. Only if the Secretary shall fail, refuse or be unable to do shall the person or persons requesting the meetings shall be authorized to send the notice.

Section 9. Annual and Organizational Meetings of Directors. The annual organizational meeting of the Board of Directors shall be held in June on a date and at a time determined by the Board of Directors. Such a meeting shall constitute the annual meeting of the Board including the election of officers and receiving officer and committee reports. Notice of this meeting should be given.

Section 10. Notice of Directors Meetings.

(a) When Notice Required. Regular meetings of the Board of Directors may be held without notice. A regular meeting of the Board of Directors is held at a time and place fixed by these Bylaws or in advance by the Board of Directors. Any other meeting of the Board of Directors shall be a special meeting and shall be noticed.

(b) Notice Requirements. Notice of regular meetings may be, and notice of special meetings shall be, given to each director upon four days' notice by first class mail or 48 hours' notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, electronic mail, or other electronic means to the address of the director as shown in the records of the Council.

Section 11. General Membership Meetings. General membership meetings, in addition to the annual meeting, may be called by Board of Directors as necessary.

Section 12. Quorum of Directors and Required Vote. A majority of the authorized number of directors, excluding vacancies, shall constitute a quorum for the transaction of business, except to adjourn. Every act or decision done or made by a majority of the directors present at the meeting duly held at which at least a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Public Benefit Corporation Law, including without limitation, those provisions relating to

(a) approval of contracts or transactions in which a director has a director or indirect material financial interest and

(b) indemnification of directors.

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

Section 13. Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting.

Section 14. Action by Unanimous Written Consent. Any action, which may be taken at a meeting of the Board of Directors, may be taken without a meeting if all members of the Board of Directors, excluding any "interested directors" as defined in Corporations Code Section 5233, shall individually or collectively consent in writing or by electronic means to such action. Such action by written consent shall have the same force and effect as a unanimous vote of such directors. Such written consent or electronic consents shall be filed with the minutes of the proceedings of the Board of Directors.

ARTICLE V COMMITTEES

Section 1. Appointment and Authority. The Board of Directors may appoint one or more committees, each consisting of at least one director, to serve at the pleasure of the Board of Directors, and may delegate to such committees any of the authority of the Board of Directors, subject to any specific Board restriction, except:

- (a) The filling of vacancies on the Board of Directors or in any committee.
- (b) The amendment or repeal of Bylaws or the adoption of new Bylaws.
- (c) The amendment or repeal of any resolution of the Board of Directors, which by its express terms is not so amendable or repealable.
- (d) The creation of or appointment to any other committee of the Board of Directors.
- (e) The approval of any self-dealing transaction, as such transactions are defined in Section 5233 (a) of the California Nonprofit Benefit Corporation Law.
- (f) The taking of any final action on any matter that, under the California Nonprofit Benefit Corporation Law requires other approval.

Any such committee must be created, and the members thereof appointed, to serve terms of one (1) year unless otherwise specified, by resolution adopted by a majority of the authorized number of directors then in office, provided a quorum is present, and one such committee may be designated the Executive Committee. The Board of Directors may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. The Board of Directors shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, the meetings and other actions of any such committee shall be governed by the provisions of Article IV applicable to meetings and actions of the Board of Directors. The chairman of these committees shall be appointed by the President and shall serve for the terms of one (1) year or until removed by a majority vote of the Board of Directors.

Section 2. Advisory Committees. Advisory committees may be appointed by the Board

of Directors to consist of one or more persons. Advisory committee membership may consist of directors only or both directors and non-directors, except that there shall be at least one director on each advisory committee. Advisory committees may include nonvoting members and alternate members. Advisory committees shall have no legal authority to act for the Council, but shall report their findings and recommendations to the Board of Directors.

Section 3. Special Committees. Special committees may be established by the Board of Directors to perform such duties as may be determined by the Board of Directors. Upon performance of the duties assigned, such special committees shall be discharged. The President shall appoint the chairmen of the special committees upon the approval of the Executive Committee. Each chairman shall consult with the President to select members to serve on the special committee. Each chairman is responsible to make reports to the Board of Directors as requested from time to time.

ARTICLE VI OFFICERS

Section 1. Number of Qualifications. The elected officers of this Council shall be a President, a First Vice President, a Second Vice President, a Secretary, and a Treasurer. All officers shall take office on July 1 and serve for a term of one (1) year or until a successor is elected and assumes office.

Section 2. Nominations and Election. Officers shall be elected at the annual meeting of the Board of Directors by a majority of the board. A single nominee for an office may be elected by voice vote.

Section 3. Removal. Any officer may be removed, either with or without cause, by a two-thirds majority of the directors at the time in office, at any meeting of the Board of Directors.

Section 4. Duties of the President. The President shall be an ex officio, non-voting member of all committees, and shall preside at all meetings of the Council, Board of Directors, and Executive Committee. The President shall call special meetings of the Board of Directors; appoint committee chairmen and additional officers as authorized by the Executive Committee. The President shall have such other powers and duties as determined by the Board of Directors.

Section 5. Duties of the First Vice President. The First Vice President shall be responsible for scheduling the program and refreshments at all General Membership meetings. The First Vice President shall preside at meetings of the Board of Directors and General Membership in the absence of the President. The First Vice President shall have such powers and perform such duties as from time to time may be prescribed by the Board of Directors.

Section 6. Duties of the Second Vice President. The Second Vice President shall keep or cause to be kept an up-to-date master list of all members. The Second Vice President shall preside at meetings of the Board of Directors and General Membership in the absence of the President and First Vice President. The Second Vice President shall have such powers and perform such duties as from time to time may be prescribed by the Board of Directors.

Section 7. Duties of the Secretary. The Secretary shall keep or cause to be kept, at the principal office of the Council in the State of California, the original or a copy of the Council's Articles of Incorporation and Bylaws, as amended to date. The Secretary also shall keep or cause to be kept a book of minutes at the principal office, or at such other place as the Board of Directors may order, of all meetings of the directors, with the time and place of holding, how authorized, the notice thereof, the names of those present at meetings and the proceedings thereof. The Secretary shall give or cause to be given notice of all the meetings of the Board of Directors required by these Bylaws or by law to be given. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Directors. The Board of Directors may determine that some or all of these duties may be performed.

Section 8. Duties and Authority of Treasurer. The Treasurer shall collect and account for all membership dues. The Treasurer shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the Council including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The book of account shall at all times be open to inspection by any director. The Treasurer shall prepare an annual budget, and present the books for a fiscal review at fiscal year end. The Treasurer shall have such powers and perform such other duties as may be prescribed by the Board of Directors.

Section 10. Executive Committee. The Executive Committee shall be composed of the elected officers of the Council. The Executive Committee shall have emergency powers to act for the Board of Directors between regular meetings of the Board at the call of the President or three (3) members of the Executive Committee. The Executive Committee shall have such other powers and perform such other duties as may be prescribed by the Board of Directors. A majority of the authorized number of committee members, excluding vacancies, shall constitute a quorum for the transaction of business, except to adjourn.

Section 11. Resignation. Any officer may resign at any time by giving written notice to the Council. Any such resignation shall take effect at the date of receipt of such notice or at a later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 12. Vacancies. 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 election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis. A vacancy shall be declared in the event any officer

- (1) fails to attend three consecutive meetings of the Board of Directors without adequate reason,
- (2) renders a written resignation of office to the Board of Directors, or
- (3) is removed by a two-thirds vote of the Board of Directors.

ARTICLE VII

RECORDS AND REPORTS

Section 1. Maintenance and Inspection of Articles and Bylaws. The Council shall keep at its principal office, the original or a copy of the Articles and Bylaws as amended to date, which shall be open to inspection and copying by the directors and by a duly authorized representative of the director at all reasonable times during office hours.

Section 2. Maintenance of Other Corporate Records. The accounting books, records and minutes of proceedings of the Board of Directors and any committee(s) of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in absence of such designation, at the principal office of the Council. The minutes shall be kept in typed or computer data form, and the accounting books and records shall be kept in typed or computer data form. Every director shall have the right at any reasonable time to inspect all books, records and documents and the physical properties of the Council. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to obtain copies of documents at the inspecting party's expense. Such inspections shall take place in the presence of the President or his/her designee and shall be subject to all legal privileges and confidentiality restrictions as are applicable.

ARTICLE VIII

FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of this Council shall begin on July 1 and end on June 30 of each year.

Section 2. Money and Documents. The money of the Council shall be received, deposited and paid in such manner as may be determined by the Board of Directors. All checks, notes, contracts and other documents shall be executed on behalf of this Council in such manner and by such persons as may be determined by the Board of Directors.

Section 3. Annual Budget. At the beginning of each fiscal year, the Board of Directors shall approve an annual budget for that fiscal year.

ARTICLE IX

CONFLICT OF INTEREST

If any officer or director of this Council proposes to deal with this Council in other than a voluntary relationship, or proposes to engage with this Council in a business activity of any nature as a result of which any such person should benefit to the Board of Directors prior to dealing with this Council or engaging in such activity, and he/she shall refrain from any vote or discussion in which such issue is involved. All "self-dealing transactions" as that term is defined in Corporations Code Section 5233, shall be governed by the standards and procedures set forth in Corporations Code Sections 5233, 5234, and all such successor statutes.

ARTICLE XI

ANNUAL REPORT

The treasurer shall provide to the directors within 120 days of the close of its fiscal year, a report containing the following information in reasonable detail:

- (a) The assets and liabilities, including the trust funds, of the Council as of the end of the fiscal year.
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (c) The revenue or receipts of the Council both unrestricted and restricted to particular purposes, for the fiscal year.
- (d) The expenses or disbursements of the Council for both the general and restricted purposes, during the fiscal year.
- (e) Any information required by California Corporations Code Section 6322 concerning transactions with interested persons and indemnifications.

The annual report shall be accompanied by any report on it of independent accountants or, if there is no such report, by the certificate of an authorized officer of the Council that such statement were prepared without audit from the Council's books and records. The requirements of an annual report shall not apply if the Associations receive fewer than \$50,000 in gross receipts during the fiscal year, provided, however, that the information specified in these Bylaws for inclusion in an annual report must be furnished annually to any director who in writing requests it.

ARTICLE XII INDEMNIFICATION

Directors and officers of the Council, as defined in Corporations Code Section 5238, shall be entitled to indemnification by the Council against expenses, judgments, fines, settlements and other amounts reasonably incurred, to the extent permitted by, and subject to the limitations of, said Section 5238 of the California Corporations Code, fines

ARTICLE XIII GENERAL PROVISIONS

Section 1. Voting of Shares in Other Corporations. The Council may vote any and all shares held by it in any other Corporation by such officer, agent or proxy as the Board of Directors may appoint or in the absence of any such appointment, by the President or by any Vice President and, in such case, such officers or any of them may likewise appoint a proxy to vote said shares.

Section 2. Endorsement of Documents: Contracts. Subject to the provisions of applicable law, any contract executed or entered into between the Council and any other person, when signed by the President or any Vice President and the Secretary of the Council shall be valid and binding

on the Council in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, conveyance and any assignment or endorsement thereof executed or entered into between the Council and any other person, when signed by two (2) of either the President, First Vice President, Second Vice President, Recording Secretary *or* Treasurer of the Council shall be valid and binding on the Council in the absence of actual knowledge on the part of the other person that the signing officer(s) had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board of Directors, and, no such person shall have any power or authority to bind the Council by any contracts or engagement or pledge its credit or to render it liable for any purpose or amount.

Section 3. Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" may refer to both a Council and a natural person.

ARTICLE XIV DISSOLUTION

The assets of this Council are irrevocably dedicated to charitable purposes, and upon liquidation, dissolution, or abandonment by the council, after providing for the debts and obligations thereof, the remaining assets will not inure to the benefit of any private person but will be distributed to a non-profit fund, foundation, or Corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501 (c)(3) or 501 (c)(4) of the Internal Revenue Code.

ARTICLE XV REVIEW OF BYLAWS AND AMENDMENTS

Section 1. Review of Bylaws. The Board of Directors or a committee thereof appointed by the President shall review these Bylaws no less frequently than every two years.

Section 2. Amendments. New Bylaws may be adopted or these Bylaws may be amended or repealed by a two-thirds majority of the Board of Directors at a duly held and noticed meeting at which a quorum is present, or by written ballot in accordance with the California Corporations Law.

Amended 5/7/2015