

BYLAWS OF
MONTEREY BAY EQUESTRIANS
A California Nonprofit Mutual Benefit Corporation

ARTICLE I
NAME AND LOCATION

Section 1. NAME OF THE CORPORATION. The name of this corporation, which is a nonprofit corporation organized under the Nonprofit Corporation Act of the State of CALIFORNIA, is **MONTEREY BAY EQUESTRIANS**.

Section 2. PRINCIPAL OFFICE. The principal office of this Corporation shall be situated in the State of CALIFORNIA at such specific location as the Board of Directors shall determine from time to time. The Corporation may also have such other offices as the Board of Directors determines from time to time.

ARTICLE II
PURPOSE

Section 1. GENERAL PURPOSE. The Corporation is organized and operated for the following general purposes:

(a) Exclusively as a social club organized and operated for the pleasure and recreation of its members within the meaning of **501(c)(7)** of the Internal Revenue Code of 1986 (as amended) or the corresponding provision of any future United States internal revenue law.

(b) To exercise such of the rights, powers, duties and authority of a nonprofit corporation organized under the Nonprofit Corporation Act of the State of CALIFORNIA which are consistent with the preceding paragraph.

Section 2. SPECIFIC PURPOSES. The specific purposes of the Corporation include, without limitation, the following:

This corporation shall promote popular interest in horses and horsemanship, their proper care and handling, and bring people together to share this common interest. To establish, expand and protect new and existing equestrian trails, to cooperate with other organizations for the preservation and acquisition of trails and trail access and to support the needed civic duties to do so. To encourage social events and activities, trail rides and campouts for members and potential members, and to aid and support activities concerning the welfare of horses.

ARTICLE III

MEMBERSHIP

Section 1. QUALIFICATIONS FOR MEMBERSHIP. The members of the Corporation shall consist of such persons as: 1) apply for membership on a form approved by the Board of Directors; 2) subscribe to the purposes and goals of the Corporation; 3) agree to abide by the Bylaws of the Corporation as amended from time to time.

Section 2. CLASSES OF MEMBERS. The membership of the Corporation shall be divided into four classes: ADULT members, JUNIOR members, FAMILY members, and HONORARY members.

(a) **Adult Members.** An Adult Member is any individual over the age of 18 years of age who may be granted Adult Membership by the Board of Directors, or is the parent or guardian of a Junior Member.

(b) **Junior Members.** Junior members include all members who are **under** the age of 18 years at the time of enrollment.

(c) **Family Members.** An Adult individual and his/her spouse and their minor children shall be eligible for Family membership.

(d) **Honorary Members.** Honorary members are individuals who have contributed outstanding services to the Corporation. Honorary membership may be **conferred** upon individuals **exclusively** by the Board of Directors. No dues are required for this class of membership.

Section 3. VOTING RIGHTS. Each Adult member in good standing shall be entitled to cast one vote with respect to those matters submitted to the members for action or approval. **Voting shall be either in person or by proxy.** Honorary members, and Junior members shall have no voting rights. Votes may be taken by voice, by a show of hands or by written ballot. Voting members shall have no right to cumulate their votes. A proxy shall be deemed to be signed if the member's name is placed on the proxy by manual signature, fax, email or other telegraphic transmission.

Section 4. MEMBERSHIP DUES. All ADULT, JUNIOR, AND FAMILY members shall pay annual membership dues to the Corporation in such amounts and in such manner as the Board of Directors determines from time to time. Each year the Board of Directors **shall specify a date**, and give all members prior written notice thereof, when membership dues are due, and permit members to pay their dues at any time within **sixty (60) days** thereafter **without penalty**.

Penalties for late payment of Membership dues shall be at the discretion of the Board in such amounts and collected in such manner as the Board of Directors determines from time to time.

ARTICLE III - (MEMBERSHIP) (continued)

Section 5. MEETINGS OF MEMBERS. The **Annual meeting** of the voting members shall be held in **NOVEMBER** of each year, or such other time as the Board of Directors may fix in the notice of such meeting, at the principal place of business of the Corporation or in such other place as may be designated by the Board of Directors. Should the days herein fixed for the annual meeting fall upon a legal holiday, such meeting shall be held at the same time and place on the next day thereafter ensuing which is not a legal holiday. At each **Annual** meeting the **DIRECTORS** of the Corporation shall then be elected, but if such meeting is not held or if directors are not elected thereat, they may be elected in any special meeting of the voting members held for that purpose.

In addition to the Annual meeting, **General** membership meetings shall be held a minimum of six (6) times per year, but can be held more often, at the discretion of the Board of Directors.

Special meetings of the voting members for any purpose or purposes may be called at any time by the President or by a majority of the directors, or upon written petition by at least ten percent (10%) of the voting members.

Section 6. NOTICE OF MEETING OF MEMBERS. Notice of each regular and special meeting shall be given to each member entitled to vote thereat, either personally or by prepaid mail, or by facsimile transmission or other electronic means, addressed to each member at the address appearing on the books of the Corporation. **Such notices shall be sent not less than ten (10) and not more than sixty (60) days before each meeting**, and shall specify the place, day, and hour of the meeting and shall state the general nature of the business to be considered in such meeting. The notice of the annual meeting shall designate it as such.

Section 7. QUORUM. The presence in person or by proxy of **one-third (1/3)** of the Adult voting members shall constitute a quorum. The members present in person at such meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. Whether or not a quorum is present, the meeting may be adjourned by a vote of the members present.

Section 8. VOTING BY MAIL AND/OR FACSIMILE. If **determined** by the Board of Directors, the annual election of directors by the voting members of the Corporation shall take place by mail and/or facsimile transmission. If it is so determined, ballots shall be mailed, faxed or otherwise delivered to all voting members not less than thirty (30) days before such annual meeting of the members and, to be valid, ballots must be completed, mailed (or otherwise delivered) to the Corporation and received by a date specified in the ballot, which shall be not less than ten (10) days before such annual meeting.

ARTICLE III – MEMBERSHIP (continued)

Section 9. TERMINATION OF MEMBERSHIP. The membership of each member of the Corporation will terminate upon the member's death, resignation, expulsion, or failure to pay dues as next described. Unless otherwise determined by the Board of Directors, each member's membership will immediately terminate if his or her membership dues have not been paid within **fourteen (14)** days after such member's dues were due. Members terminated as a result of expulsion may not renew their membership in the Corporation without obtaining the affirmative vote of at least two-thirds of all the directors. Members terminated as a result of resignation or for non-payment of dues may renew their membership only by re-application for membership in the Corporation between **December 1st and January 31st each year.**

Section 10. SUSPENSION AND EXPULSION. Any member may be suspended or expelled from membership with or without cause upon the affirmative vote of at least two-thirds of all the directors if, in the discretion of the Board as indicated by such vote, such suspension or expulsion would be in the best interests of the Corporation. Nothing in these Bylaws shall be construed as granting to any member a continued membership or expectation of membership in the Corporation.

ARTICLE IV **GUESTS AND PROSPECTIVE MEMBERS**

Section 1. GUESTS. Each member may bring one or more guests to Corporation sessions, but no individual guest may attend more than three (3) sessions per year as a guest.

Section 2. PROSPECTIVE MEMBERS. A prospective member may be admitted to three (3) Corporation sessions per season as a guest provided he or she is accompanied in person by a member who introduces such guest to the Chair of the Membership Committee, or in the absence of the Chair, one of the directors of the Corporation, at each such session attended.

ARTICLE V **DIRECTORS**

Section 1. POWERS. Subject to any limitations of the Articles of Incorporation, the CALIFORNIA Nonprofit Corporation Act or these Bylaws, all corporate powers shall be exercised by, or under the authority of, and the business and affairs of the Corporation shall be controlled by the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers:

(a) To appoint and remove all officers of the Corporation subject to such limitations as may appear in the Bylaws, and to prescribe such powers and duties for officers as may not be inconsistent with law, with the Articles of Incorporation, or the Bylaws.

ARTICLE V - DIRECTORS (continued)

Section 1 – Powers (continued)

(b) To conduct, manage and control the affairs of the Corporation, and to make such rules and regulations therefore, not inconsistent with law, or with the Articles of Incorporation, or the Bylaws, as they may deem best.

(c) To designate any place for the holding of any membership meeting or Board of Directors meeting, to change the principal office of the Corporation for the transaction of its business from one location to another; to adopt make and use a corporate seal and to alter the form of such seal from time to time, as, in their judgment, they may deem best, provided such seal shall at all times comply with the provisions of law.

(d) To borrow money and incur indebtedness for the purpose of the Corporation and to cause to be executed and delivered therefore, in the Corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt, and securities thereof.

(e) To manage in such manner as they may deem best, all funds and property, real and personal, received and acquired by the Corporation, and to distribute, loan or dispense the same or the income and profits therefrom.

(f) To create such trusts, foundations, and subsidiaries, as the Board of Directors shall deem necessary and to appoint the trustees, directors, or other governing officials of such legal entities.

Section 2. NUMBER OF DIRECTORS. The number of directors constituting the entire Board shall be a minimum of **5** and a maximum of **7** as fixed by resolution of the Board. Subject to the foregoing, the number of directors may be determined from time to time by action of the voting members or the Board of Directors, provided that any action by the Board of Directors to effect such increase above the maximum or decrease below the minimum shall require the vote of at least two-thirds of all directors then in office. No decrease in the number of directors shall shorten the term of any director then in office. **The Board of Directors shall consist of the President, Vice President, Secretary, Treasurer and the immediately preceding President. Each such director shall hold office for one (1) year and until a successor has been designated and qualified.**

Section 3. QUALIFICATIONS FOR OFFICE. Every director must be a member in good standing of this Corporation. Each director must be a U.S. citizen. No person who is holding public office is eligible to be a director. Each director shall serve without compensation except for reasonable expenses incurred for the Corporation. Directors appointed by the holder of any office or an officer or board of any other organization are to act in their own right and not as a representative of any interest or group. Each director shall be at least 18 years of age.

ARTICLE V - DIRECTORS (continued)

Section 4. ELECTION OF DIRECTORS. All directors shall be elected by the voting members of the Corporation. In the event that an office or an organization having appointing authority shall cease to exist, then the Board of Directors shall designate the holder of another office or another organization to exercise the appointing authority. The term of each director, upon being elected to office, shall begin at the beginning of the next calendar year.

Section 5. TERM OF OFFICE. The regular term of office for each director shall be **one (1)** year unless sooner terminated by death, incapacity, resignation or removal. All directors shall hold office until the expiration of the term for which each was elected, until a successor has been duly elected and qualified, or until the director's prior resignation or removal as hereinafter provided.

Section 6. NOMINATION OF DIRECTORS. Prior to the annual meeting of voting members, the **Membership** shall **select** a committee comprised of at least **three (3)** members in good standing to present a list to the Board of Directors containing the names of eligible nominees as directors for the ensuing year. Said list shall contain the names of at least **one** eligible nominee to each vacancy. In case the Membership fails, for any reason, to select such a committee within the time specified, then it shall be the duty of the Board of Directors to appoint such a committee. **The committee should be selected prior to, or by the second week in August.**

The Nominations Committee shall be responsible for submitting and recommending to the Board of Directors the names of persons with appropriate skills and good reputation to serve as directors, officers and committee members of the Corporation.

Nominations made by the committee for directors must be submitted to the Secretary, no later than the second week of September, where the Secretary will (by the third week in September) send out nomination notifications to the membership via electronic, mail, and/or personal means, also providing nomination information to the club Newsletter Editor in time for the October club newsletter publication.

Nominations for directors may also be received from the floor during a general membership meeting in the months of September or October. Final membership vote will take place at the November annual meeting.

Section 7. REMOVAL / RESIGNATION. Any director may resign from office at any time by giving written notice thereof to an officer of the Corporation. Any director may be removed with or without cause by a majority vote of all of the other directors then in office.

ARTICLE V - DIRECTORS (continued)

Section 7. REMOVAL / RESIGNATION (continued)

Cause for removal exists (without limiting other causes for removal) whenever a director:

- a. Fails to attend three (3) **consecutive** regular meetings of the Board of Directors, notwithstanding that he or she otherwise qualifies for office;
- b. Is convicted of a felony;
- c. Has committed a material breach of his or her fiduciary duty;
- d. Has committed an act of moral turpitude; or
- e. Ceases to be a member in good standing of the Corporation while in office as a director.

Section 8. EXISTENCE OF VACANCIES. A vacancy in the Board of Directors exists in case of the happening of any of the following events:

- a. The death, incapacity, resignation, or removal of any director.
- b. The authorized number of directors is increased.
- c. At any meeting of the voting members at which a director is to be elected, but the voting members fail to elect the full authorized number of directors to be voted for at that meeting.

Section 9. FILLING OF VACANCIES. Any vacancy occurring on the Board of Directors may be filled by a vote of the majority of the remaining directors. A director so chosen shall serve for the balance of the unexpired term of the vacant office. If the Board of Directors accepts the resignation of a director, tendered to take effect at a future time, the Board may elect a successor to take office when the resignation becomes effective for the balance of the unexpired term of the resigning director. However, the Board has the power to fill or leave unfilled, until the next election, all vacancies occurring on the Board, including those created by an authorized increase in the number of directors. In the event that the Board decides not to fill a vacancy for a director whose office is subject to election by the voting membership, the President may call a special meeting of the voting members to elect such director. In the event that less than a quorum of the Board remains to fill vacancies, then in that event, a vote of one hundred percent of the remaining directors shall be required to fill any vacancy.

Section 10. PLACE AND NUMBER OF MEETINGS. Meetings of the Board of Directors shall be held at any place which has been designated from time to time by resolution of the Board or by written consent of all directors. In the absence of such designation, meetings shall be held at the principal office of the Corporation. **The Board shall hold at least three (3) meetings each calendar year.**

Section 11. ANNUAL AND SPECIAL MEETINGS. Immediately following each annual meeting of voting members, the Board of Directors shall hold an annual meeting for the purposes of organization and the transaction of other business. Special meetings of the Board of Directors for any purpose(s) may be called at any time by the President, or, if the President is absent, or unable or refuses to act, by one-third of the directors then in office. Notices of these meetings are not required.

ARTICLE V - DIRECTORS (continued)

Section 12. NOTICE OF MEETINGS. A regular meeting of the directors may be held without prior notice. Notice of the time and place of special meetings of the Board shall be given personally to the directors or sent by mail or other form of communication, charges prepaid, addressed to the director at their address as shown upon the records of the Corporation at least **three (3)** days in advance of such meeting. Such notice shall state the general nature of the business to be considered at the special meeting.

Section 13. QUORUM AND VOTING. A majority of the elected and qualified directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held, at which a quorum was present, shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Articles of Incorporation or by these Bylaws. Each director present shall be entitled to one (1) vote. **Voting by proxy shall be permitted.**

A director may participate in any meeting of the directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this paragraph constitutes presence in person at the meeting.

The transactions of any meetings of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though they had a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 14. PRESUMPTION OF ASSENT. A director who is present at any meeting of the directors, or a committee thereof of which the director is a member, at which action on a corporate matter is taken, is presumed to have assented to such action unless a dissent is entered in the minutes of the meeting or unless the director files a written dissent to the action with the person acting as the secretary of the meeting before or promptly after the adjournment thereof. A director who is absent from a meeting of the Board, or a committee thereof of which the director is a member, at which any such action is taken is presumed to have concurred in the action unless the director files a dissent with the Secretary of the Corporation within a reasonable time after obtaining knowledge of the action.

Section 15. ACTION BY UNANIMOUS WRITTEN CONSENT. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting and with the same force and effect as if taken by a unanimous vote of directors, if authorized by writing signed individually or collectively by all directors. Such consent shall be filed with the regular minutes of the Board.

Section 16. NOTICE OF ADJOURNMENT. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

ARTICLE V - DIRECTORS (continued)

Section 17. EX OFFICIO BOARD ADVISORS. All immediate past officers of the Corporation and the immediate past President of the Corporation, to the extent such persons are not current elected directors, shall be *ex officio* advisors to the Board of Directors. *Ex officio* advisors are entitled to attend and participate in meetings of the Board of Directors, but not to vote in their *ex officio* capacity. However, the immediate past president may vote solely in the event of a tie among directors present at a duly convened meeting of the Board, to break the tie. The immediate past president shall be an *ex officio* advisor for a term of **one (1)** year.

ARTICLE VI OFFICERS

Section 1. NUMBER AND SELECTION. The officers of the Corporation shall consist of a President, Vice President, Secretary and a Treasurer. The corporation may also have, at the Board's discretion, other officers with such titles and duties as they may determine. Each officer shall hold office until a successor is elected and qualified, or until the officer's resignation, death or removal. Vacancies in offices shall be filled by election by the Board of Directors at any time to serve unexpired terms.

Section 2. RESIGNATION AND REMOVAL. The resignation of any officer shall be tendered in writing to any other officer and shall be effective as of the date stated in the resignation. Any officer may be removed during their term by majority vote of the Board of Directors whenever, in their judgment, removal would serve the best interests of the Corporation. Such removal shall terminate all authority of the officer, except that any rights to compensation and other perquisites shall depend on the terms of the officer's employment and the circumstances of removal.

Section 3. PRESIDENT. The President shall be the chief executive and operating officer of the Corporation, shall have general charge of the business affairs and property of the Corporation. The President shall preside at all meetings of the Board of Directors. The President shall have such other duties and responsibilities and may exercise such other powers as are usually incident to the office or as from time to time may be assigned by these Bylaws or the Board of Directors. Upon taking office, the President shall appoint:

1. Trail Advocate(s) who shall cooperate with other organizations in trail acquisition or access.
2. Any such other committees as he/she may deem necessary.

Section 4. VICE PRESIDENT. At the request of the President, or in the President's absence or disability, the Vice President shall perform all the duties of the President. When so acting, the Vice President shall have all of the powers of, and be subject to all the restrictions upon the President. The Vice President shall have such other duties and responsibilities and may exercise such other powers as from time to time may be assigned by the President or the Board of Directors or as may be provided in these Bylaws. **The Vice President will act as the Ride Chairman and be responsible for establishing a slate of rides for membership approval.**

ARTICLE VI - OFFICERS (continued)

Section 5. SECRETARY. The Secretary shall cause to be kept at the principal office of the Corporation, the Secretary's principal place of business, or such other place as the Board of Directors may order, the official seal of the Corporation (if any), and a book of minutes of all meetings of directors and members. **The Secretary shall also keep a membership book containing names and addresses of each member, and the date upon which the membership ceased.**

The Secretary shall give the notices of the special meetings of the voting members as provided in these Bylaws. The Secretary shall also maintain and protect a file of all official and legal documents of the Corporation. The Secretary shall perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors or the Bylaws.

Section 6. TREASURER. The Treasurer shall have custody of all Corporation funds; keep full and accurate accounts of all receipts and disbursements of the Corporation, an inventory of assets, and a record of the liabilities of the Corporation; deposit all money and other securities in such depositories as may be designated by the Board of Directors; disburse the funds of the Corporation as ordered by the President or the Board of Directors taking proper vouchers for disbursements; and prepare all statements and reports required by law, by the President or by the Board of Directors. The Treasurer shall have such other duties and responsibilities and may exercise such other powers as are usually incident to the office or as from time to time may be assigned by these Bylaws, the Board of Directors, or the President. The books and records of accounts shall at all times be open to inspection by any director of the corporation. The Treasurer shall render to the President and the directors, on request, an account of all transactions as Treasurer and of the financial condition of the corporation.

Section 7. SALARIES. None of the officers of the Corporation shall receive a salary.

Section 8. ANNUAL TRANSITION. To maintain Corporation continuity, officers whose terms of office have expired shall assure the orderly transition of authority to their successors before being relieved of their responsibilities. Similarly, officers whose terms of office have expired shall take all appropriate steps to substitute their successors on all of the Corporation's financial accounts and signature cards.

ARTICLE VII **PROHIBITED ACTIVITIES**

Section 1. ACTIONS JEOPARDIZING TAX STATUS. This Corporation shall not carry on any activities not permitted to be carried on by an organization exempt from federal income taxes under '501(c)(7) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law.

Section 2. LOBBYING AND POLITICAL ACTIVITIES. The Corporation may devote a substantial part of its activities for lobbying purposes (including the publishing or distribution of statements) or otherwise attempting to influence legislation. However, the Corporation may participate or intervene in (including the publishing or distribution of statements) any political or judicial campaign on behalf of any candidate for public office only to an insubstantial degree.

Section 3. PRIVATE INUREMENT. No part of the net income or net assets of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, or members. Specifically, club revenue generated from nonmembers shall not be used to the personal advantage of the members (such as in reduced dues, improved facilities, and the like). However, the Corporation is authorized to pay reasonable compensation to employees for services actually rendered and to make payments and distributions in furtherance of its tax exempt purposes.

Section 4. NON-DISCRIMINATION. In the conduct of all aspects of its activities, the Corporation shall not discriminate on the grounds of race, color, national origin or gender.

Section 5. CONFLICTS OF INTEREST. A conflict of interest occurs when a person under a duty to promote the interests of the Corporation (a "fiduciary") is in a position to promote a competing interest instead. Fiduciaries include all Corporation employees, directors or officers, and members of any Corporation committee. Undisclosed or unresolved conflicts of interest are a breach of the duty to act in the best interests of the Corporation and work to the detriment of the Corporation.

a. Typical Conflict Situations. Conflicts of interest are likely to arise whenever: a) a fiduciary has a personal interest in a vendor of goods or services to the Corporation; or b) Corporation employees are loaned to other organizations, or the employees of another organization are loaned to this Corporation.

b. Discharging Conflicts of Interest. All conflicts of interest must be disclosed to the Board of Directors. After disclosure is made, the individual with a conflicting interest must not participate in judging the merits of that interest. That is, such individual must abstain from voting on, or recommending a course of action with respect to, the situation giving rise to the conflict. When these are done, the conflict of interest has been properly discharged.

c. Preventing Conflict Situations. The Corporation, through the Board of Directors, shall encourage all fiduciaries to prevent conflicts of interest where possible.

*Fiduciaries should refuse to enter into self-dealing relationships with the Corporation as a vendor.

*Fiduciaries should not accept anything but gifts of insubstantial value from vendors.

*The lending of employees to or acceptance of loaned employees from, other organizations should be avoided. If done, however, a clearly drafted contract defining wages, responsibilities, indemnification and conditions of employment is required.

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Section 6. LITIGATION. The Corporation shall not be a voluntary party in any litigation without the prior written approval of the Board of Directors.

ARTICLE VIII OTHER FINANCIAL MATTERS

Section 1. PROPERTY OF THE CORPORATION. The title to all property of the Corporation, both real and personal, shall be vested in the Corporation.

Section 2. DISPOSITION UPON DISSOLUTION. Upon the dissolution or winding up of the Corporation, or in the event it shall cease to engage in carrying out the purposes and goals set forth in these Bylaws, all of the business, properties, assets and income of the Corporation remaining after payment, or provision for payment, of all debts and liabilities of this Corporation, shall be distributed to a nonprofit fund, association, or corporation which is organized and operated exclusively for tax exempt purposes which are reasonably related to the purposes and goals of this Corporation, as may be determined by the Board of Directors of this Corporation in its sole discretion, and which has established its tax exempt status under '501(c) (7) of the Internal Revenue Code of 1986, as amended.

Section 3. CONTRACTS. The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to a specific instance. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit, or render it pecuniarily liable for any purpose or to any amount. When the execution of any contract or other instrument has been authorized by the Board of Directors without specification of the executing officer, the President, either alone or with the Secretary or any Assistant Secretary, may execute the same in the name of, and on behalf of, the Corporation, and any such officer may affix the corporate seal (if any) of the Corporation thereto.

Section 4. VOTING STOCK OWNED BY THE CORPORATION. The Board of Directors may by resolution provide for the designation of the person who shall have full power and authority on behalf of the Corporation to vote either in person or by proxy at any meeting of the security holders of any corporation or other entity in which this Corporation may hold voting stock or other securities, and may further provide that at any such meeting such person may possess and exercise all of the rights and powers incident to the ownership of such voting securities which, as the owner thereof, this Corporation might have possessed and exercised if present. The Board of Directors may revoke any such powers as granted at its pleasure.

Section 5. FINANCIAL ACCOUNTS. The Corporation may establish one or more checking accounts, savings accounts or investment accounts with appropriate financial entities or institutions as determined in the discretion of the Board of Directors to hold, manage or disburse any funds for Corporation purposes. All checks, drafts or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer(s) or agent(s) of the Corporation, and in such manner, as is determined by the Board of Directors from time to time.

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Section 6. APPOINTMENT AND EMPLOYMENT OF ADVISORS. The Board may from time to time appoint, as advisors, persons whose advice, assistance and support may be deemed helpful in determining policies and formulating programs for carrying out the Corporation's purposes. The Board is authorized to employ such persons, including an executive officer, attorneys, accountants, agents and assistants as in its opinion are needed for the administration of the Corporation and to pay reasonable compensation for services and expenses thereof.

Section 7. FINANCIAL STATEMENTS AND REPORTS. An independent auditor appointed or approved by the Board shall at such time as the Board determines prepare for the Corporation as a whole a consolidated financial statement, including a statement of combined capital assets and liabilities, a statement of revenues, expenses and distributions, a list of projects and/or organizations to or for which funds were used or distributed, and such other additional reports or information as may be ordered from time to time by the Board. The auditor shall also prepare such financial data as may be necessary for returns or reports required by state or federal government to be filed by the Corporation. The auditor's charges and expenses shall be proper expenses of administration.

Section 8. LIMITATIONS ON DEBT. No debt shall be incurred by the Corporation beyond the accounts payable incurred by it as a result of its ordinary operating expenses, and no evidence of indebtedness shall be issued in the name of the Corporation unless authorized by the Board of Directors. Specifically, without limitation, no loan shall be made to any officer or director of the Corporation. Any director or officer who assents to or participates in the making of any such loan shall be liable, in addition to the borrower, for the full amount of the loan until it is fully repaid.

Section 9. LIABILITY OF DIRECTORS AND OFFICERS. No director or officer of the Corporation shall be personally liable to its creditors or for any indebtedness or liability and any and all creditors shall look only to the Corporation's assets for payment. Further, neither any officer, the Board nor any of its individual members shall be liable for acts, neglects or defaults of an employee, agent or representative selected with reasonable care, nor for anything the same may do or refrain from doing in good faith, including the following of done in good faith: errors in judgment, acts done or committed on advice of counsel, or any mistakes of fact or law.

Section 10. LIABILITY OF MEMBERS. No member of the Corporation shall be personally liable to its creditors or for any indebtedness or liability and any and all creditors shall look only to the Corporation's assets for payment.

Section 11. PROPERTY INTERESTS UPON TERMINATION OF MEMBERSHIP. Members have no interest in the property, assets or privileges of the Corporation. Cessation of membership shall operate as a release and assignment to the Corporation of all right, title and interest of any member, but shall not affect any indebtedness of the Corporation to such member.

Section 12. FISCAL YEAR. The fiscal year of the Corporation shall be from each **JANUARY 1** to each **DECEMBER 31**.

ARTICLE IX COMMITTEES

Section 1. COMMITTEE POWERS. Committees of the Corporation shall be standing or special. The Board of Directors or the President may refer to the proper committee any matter affecting the Corporation or any operations needing study, recommendation, or action. The Board may establish such special committees or standing committees in addition to those specified in this Article as it deems appropriate with such duties and responsibilities as it shall designate, except that no committee has the power to do any of the things a committee is prohibited from doing under the CALIFORNIA Nonprofit Corporation Act. All committees shall act by majority vote, unless otherwise prescribed by the Board of Directors.

Section 2. LIMITATIONS. Except in cases where these Bylaws or the Board of Directors has by written resolution provided otherwise, the function of any committee is as an advisory group to the Board of Directors. No member of any committee, without the prior written consent of the Board of Directors, has the authority to purchase, collect funds, open bank accounts, implement policy, or bind or obligate the Corporation or its Board of Directors in any way or by any means. All such powers are expressly reserved to the Board of Directors and the officers of the Corporation.

Section 3. COMMITTEE MEMBERSHIP. The Board, acting upon the recommendation of the President, shall appoint the Chair Persons of such committees, and persons other than directors may be appointed. The President shall be an *ex-officio* member of every committee. Every committee shall consist of at least two (2) persons, exclusive of the President. Committee members shall be appointed for one-year terms.

Section 4. STANDING COMMITTEES. In addition to other committees the Board may establish from time to time, the following will be standing committees of the Corporation:

****Membership Committee.** The Membership Committee shall carry on a membership solicitation drive each year between **December 1st and January 31st**. This committee shall also recommend to the directors the types and amounts of dues for memberships in the Corporation. This committee shall include the Secretary of the corporation as the person responsible for maintaining the corporate membership book.

****Publicity Committee.** The Publicity Committee shall be responsible for contact with other organizations with similar purposes and for the distribution of news of the Corporation and its activities to the membership. **This committee includes the Editor of the Newsletter, the person responsible for maintenance of the Website and the Trail Advocate.**

Section 5. SPECIAL COMMITTEES. The Board may establish such special committees as it deems appropriate from time to time. Special committees shall have the duties and responsibilities as the Board shall designate from time to time.

ARTICLE X

INDEMNIFICATION

Section 1. RIGHT TO INDEMNIFICATION. Each person who was or is a party to or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, formal or informal (hereinafter referred to as a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or, while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, including service with respect to employee benefit plans, whether the basis of the proceeding is alleged action in an official capacity as a director, officer, employee, or agent or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by state law, as it exists or may be amended (but, in the case of any such amendment, only to the extent that the amendment permits the corporation to provide broader indemnification rights than state law permitted the Corporation to provide before the amendment), against all expenses, liability, and loss (including attorney fees, judgments, fines, ERISA excise taxes, or penalties and amounts to be paid in settlement) reasonably incurred by the person in connection therewith, and the indemnification shall continue for a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors, and administrators; provided, however, that except as provided in the next section with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding, or part thereof, initiated by the person only if the proceeding, or part thereof, was authorized by the board of directors of the Corporation. To the extent authorized by state law, the Corporation may, but shall not be required to, pay expenses incurred in defending a proceeding in advance of its final disposition. The right to indemnification conferred in this article shall be a contract right.

Section 2. NON EXCLUSIVITY OF RIGHTS. The right to indemnification conferred in this article shall not be exclusive of any other right that any person may have or acquire under any statute, provision of the articles of incorporation, bylaw, agreement, vote of stockholders or disinterested directors, or otherwise.

Section 3. INDEMNIFICATION OF EMPLOYEES AND AGENTS OF THE CORPORATION. The corporation may, to the extent authorized from time to time by the board of directors, grant rights to indemnification and to payment by the Corporation, for expenses incurred in defending any proceeding before its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

ARTICLE X -- INDEMNIFICATION (continued)

Section 4. INSURANCE. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Corporation would have power to indemnify the person against the liability under these bylaws or the laws of the state of CALIFORNIA.

Section 5. CHANGES IN CALIFORNIA LAW. If there is any change of the CALIFORNIA statutory provisions applicable to the Corporation relating to the subject matter of this Article, then the indemnification to which any person shall be entitled under this Article shall be determined by the changed provisions, but only to the extent that the change permits the Corporation to provide broader indemnification rights than the provisions permitted the Corporation to provide before the change. Subject to the next Section, the Board of Directors is authorized to amend these bylaws to conform to any such changed statutory provisions.

Section 6. AMENDMENT OR REPEAL OF ARTICLE. No amendment or repeal of this Article shall apply to or have any effect on any director, officer, employee, or agent of the Corporation for or with respect to any acts or omissions of the director, officer, employee, or agent occurring before the amendment or repeal.

Section 7. IMPACT OF TAX EXEMPT STATUS. The rights to indemnification set forth in this Article are expressly conditioned upon such rights not violating the Corporation's status as a tax exempt organization described in "501(c) of the Internal Revenue Code of 1986, as amended.

ARTICLE XI
AMENDMENTS TO BYLAWS

Section 1. ADOPTION. Except those items specified in these Bylaws as not being subject to amendment, if any, these bylaws may be adopted, amended, restated or repealed by the Board of Directors subject to membership ratification and shall be effective only upon such ratification. Membership ratification shall require the affirmative vote of at least a majority of the total number of voting members.

Section 2. INSPECTION OF BYLAWS. The original or copy of these Bylaws, as amended or otherwise altered to date, certified by the Secretary, shall at all times be kept in the principal office of the Corporation for the transaction of business, and shall be open to inspection by the members, officers and directors at all reasonable times during office hours.

State of CALIFORNIA

) SS.

County of SANTA CRUZ

I, _____, hereby certify that I am the duly elected Secretary of MONTEREY BAY EQUESTRIANS; that attached hereto are the Bylaws of the within named corporation, and that such have been duly enacted and are in full force and effect as of the date hereof.

Dated: _____

Secretary

Subscribed and sworn to before me this date of _____

Notary Public,

My commission expires _____.