

BYLAWS
of
EUREKA HERITAGE SOCIETY
A California Public Benefit Corporation
Amendment # 1

ARTICLE 1
OFFICES

SECTION 1. PRINCIPAL OFFICE

The principal office of the corporation for the transaction of its business is located in Humboldt County, California.

SECTION 2. CHANGE OF ADDRESS

The county of the corporation's principal office can be changed only by amendment of these bylaws and not otherwise. The board of directors may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these bylaws.

Dated: _____

Dated: _____

SECTION 3. OTHER OFFICES

The corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the board of directors may, from time to time, designate.

ARTICLE 2
PURPOSES

SECTION 1. OBJECTIVES AND PURPOSES

The purpose of this not-for profit corporation is to: promote the preservation of historically and architecturally significant structures and sites within the City of Eureka; raise public awareness of historic preservation through educational programs and events; act as an advocate, leader, and

resource for historic preservation with local government and the community, and educate the community as to the substantial economic advantages of historic preservation.

ARTICLE 3 DIRECTORS

SECTION 1. NUMBER

The minimum number of directors the corporation shall be nine (9) and the maximum number fifteen (15). Collectively they shall be known as the board of directors. The number may be changed by amendment of this bylaw, or by repeal of this bylaw and adoption of a new bylaw, as provided in these bylaws.

SECTION 2. POWERS

Subject to the provisions of the California Nonprofit Public Benefit Corporation law and any limitations in the articles of incorporation and bylaws relating to action required or permitted to be taken or approved by the members of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

SECTION 3. DUTIES

It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation of this corporation, and by these bylaws;
- (b) Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties of all officers, agents, and employees of the corporation;
- (c) Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
- (d) Meet at such times and places as required by these bylaws;
- (e) Register their addresses with the secretary of the corporation and notices of meetings mailed or e-mailed to them at such addresses shall be valid notices thereof.
- (f) Each member of the Board of Directors shall have duties and responsibilities that will maintain and enhance the mission and goals of the Eureka Heritage Society. These duties and

responsibilities will be determined annually by a majority vote of the elected directors. No one director may take action on his/her own. All plans and activities must be presented to the Board of Directors for approval.

SECTION 4. TERMS OF OFFICE

Directors shall be elected at the annual meeting of the members and shall assume office at the close of that meeting. Directors shall hold office for a term of three years or until the third annual meeting after their election. These terms are to be staggered so that not more than five Directors are elected in any one year. No Director shall be eligible to serve more than two consecutive terms. An extension of one term may be proposed by majority vote of the board and presented to the general members at the annual meeting. Vacancies occurring during the three year term shall be filled by the Board of Directors, or by the President, until ratification by the Board of Directors. The term of a Director so appointed shall expire as of the next annual meeting. Vacancies on the Board of Directors need not be filled unless the number of serving Directors falls below the minimum established in Section 1 of this Article. Regular officer positions cannot be left vacant and will be filled by appointment until the next annual meeting.

SECTION 5. COMPENSATION

Directors shall serve without compensation except that they shall be allowed reimbursement for expenses incurred in the performance of their regular duties as specified in Section 3 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity unless such other compensation is reasonable and is allowable under the provisions of Section 6 of this Article. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 9 of these bylaws.

SECTION 6. RESTRICTION REGARDING INTERESTED DIRECTORS

Notwithstanding any other provision of these bylaws, not more than forty-nine percent (49%) of the persons serving on the board may be interested persons. For purposes of this Section, "interested persons" means either:

(a) Any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as an independent contractor, or otherwise.

(b) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

SECTION 7. PLACE OF MEETINGS

Meetings shall be held at the principal office of the corporation unless otherwise provided by the board or at such place within or without the State of California which has been designated from time to time by resolution of the Board of Directors. In the absence of such designation, any meeting not held at the principal office of the corporation shall be valid only if held on the written consent of all directors given either before or after the meeting and filed with the secretary of the corporation or after all board members have been given written notice of the meeting as hereinafter provided for special meetings of the board.

Any meeting, regular or special, may be held by conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone constitutes presence in person at that meeting so long as all directors participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) constitutes presence in person at that meeting if all of the following apply:

- a) Each director participating in the meeting can communicate with all of the other directors concurrently;
- b) Each director is provided the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation; and
- c) The corporation adopts and implements some means of verifying (1) that all persons participating in the meeting are directors of the corporation or are otherwise entitled to participate in the meeting, and (2) that all actions of, or votes by, the board are taken and cast only by directors and not by persons who are not directors.

SECTION 8. REGULAR AND ANNUAL MEETINGS

Regular meetings of directors shall be held on the second Monday of each month unless such day falls on a legal holiday, in which event the regular meeting shall be held at the same hour and place on the next business day unless rescheduled by the Board of Directors. A quorum shall consist of a majority of serving Directors, one of whom shall be the President, Vice President, or Treasurer. The day and time of the regular meeting may be changed by a majority vote of elected directors.

An annual meeting of members shall be held for the purpose of electing directors, receiving reports of officers and committees and for any other business that may arise. Notice of the annual meeting shall be mailed to each member not less than ten days prior to such meeting. Each member is entitled to one vote which may be cast in person or by proxy. The presence in person of one-tenth of the members of the Eureka Heritage Society shall constitute a quorum for the transaction of business at this meeting. Proxy votes may only be cast on issues presented in writing to the membership ten days prior to the meeting.

SECTION 9. SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the President of the board, the Vice President, the Secretary, or by any two directors, and such meetings shall be held at the place, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation.

SECTION 10. NOTICE OF MEETINGS

Regular meetings of the board may be held without notice. Special meetings of the board shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone or e-mail. If sent by mail the notice shall be deemed to be delivered on its deposit in the mails. Such notices shall be addressed to each director at his or her address as shown on the books of the corporation.

SECTION 11. CONTENTS OF NOTICE

Notice of meetings shall specify the place, day, and hour of the meeting. The purpose of any board meeting need not be specified in the notice.

SECTION 12. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS

The transactions of any meeting of the board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided a quorum, as hereinafter defined, is present and provided that either before or after the meeting each director not present signs a waiver of notice, a consent to holding the 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 13. QUORUM FOR MEETINGS

A quorum shall consist of a majority of the serving directors, one of whom shall be the President, Vice President, or Treasurer.

Except as otherwise provided in these bylaws or in the articles of incorporation of this corporation, or by law, no business shall be considered by the board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn. However, a majority of the directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the board.

When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section 10 of this Article.

The directors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater

percentage as may be required by law, or the articles of incorporation or bylaws of this corporation.

SECTION 14. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the articles of incorporation or bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a director has a material financial interest (Section 5233), and indemnification of directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the board.

SECTION 15. CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the President of the board, or, in his or her absence, the Vice President of the corporation or, in the absence of each of these persons, by the Treasurer. The Secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by Robert's Rules of Order Revised, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these bylaws, with the articles of incorporation of this corporation, or with provisions of law.

SECTION 16. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to such action. For the purposes of this Section only, "all members of the board" shall not include any "interested director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the board. Such action by written consent shall have the same force and effect as the unanimous vote of the directors. Any certificate or other

document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the bylaws of this corporation authorize the directors to so act, and such statement shall be prima facie evidence of such authority.

SECTION 17. VACANCIES

Vacancies on the Board of Directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.

The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

Directors may be removed without cause by a majority vote at a meeting of the Board of Directors, at which a quorum is present.

Any director may resign effective upon giving written notice to the President of the board, the Vice President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the attorney general.

Vacancies created by the removal of a director may be filled only by the approval of the majority of the Board of Directors. Notice of appointment shall be noticed to the members. The members of this corporation may elect a director at any time to fill any vacancy not filled by the directors.

SECTION 18. NONLIABILITY OF DIRECTORS

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

SECTION 19. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

To the extent that a person who is, or was, a director, officer, employee, or other agent of this corporation has been successful on the merits in defense of any civil, criminal, administrative, or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue, or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements, and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

SECTION 20. INSURANCE FOR CORPORATE AGENTS

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including directors, officers, employees, or other agents of the corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

**ARTICLE 4
OFFICERS**

SECTION 1. NUMBER OF OFFICERS

The officers of the corporation shall be a president, vice president, a secretary, and a chief financial officer who shall be designated the treasurer. These officers comprise the Executive Committee. The corporation may also have, as determined by the Board of Directors, a

chairperson of the board, one or more vice presidents, assistant secretaries, assistant treasurers, or other officers. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve as the President of the board.

SECTION 2. QUALIFICATION, ELECTION, AND TERM OF OFFICE

Officers shall be appointed by a majority vote of the Board of Directors directly after the annual meeting. The term of office will be consistent with those of the Board of Directors.

SECTION 3. SUBORDINATE OFFICERS

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

SECTION 4. REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

SECTION 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

SECTION 6. DUTIES OF PRESIDENT

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be prescribed from time to time by the Board of Directors. The President shall preside at all meetings of the Board of Directors and the President shall preside at all meetings of the members. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors. The President or his or her designee shall serve as the community liaison of the organization.

SECTION 7. DUTIES OF VICE PRESIDENT

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the Board of Directors. The Vice President may also serve as the community liaison as directed by the President.

SECTION 8. DUTIES OF SECRETARY

The secretary shall:

Certify and keep at the principal office of the corporation the original, or a copy of these bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

Ensure that the minutes of meetings of the corporation, any written consents approving action taken without a meeting, and any supporting documents pertaining to meetings, minutes, and consents shall be contemporaneously recorded in the corporate records of this corporation.

“Contemporaneously” in this context means that the minutes, consents, and supporting documents shall be recorded in the records of this corporation by the later of (1) the next meeting of the board, committee, membership, or other body for which the minutes, consents, or supporting documents are being recorded, or (2) sixty (60) days after the date of the meeting or written consent.

See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.

Keep at the principal office of the corporation a membership book containing the name and address of each and any member, and, in the case where any membership has been terminated, the secretary shall record such fact in the membership book together with the date on which such membership ceased.

Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefore, the bylaws, the membership data base, and the minutes of the proceedings of the directors of the corporation.

In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation of this corporation, or by these bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 9. DUTIES OF TREASURER

Subject to the provisions of these bylaws relating to the “Execution of Instruments, Deposits, and Funds,” the treasurer shall:

Have charge and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefore.

Render to the President and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation.

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

ARTICLE 5 COMMITTEES

SECTION 1. ADVISORY COMMITTEE

The Board of Directors may, by a majority vote of directors, designate Society members or former directors to constitute an advisory committee of the board and delegate to such committee any of the powers and authority of the board in the management of the business and affairs of the corporation, except with respect to:

- (a) The approval of any action which, under law or the provisions of these bylaws, requires the approval of the members or of a majority of all of the members.
- (b) The filling of vacancies on the board or on any committee that has the authority of the board.
- (c) The fixing of compensation of the directors for serving on the board or on any committee.
- (d) The amendment or repeal of bylaws or the adoption of new bylaws.
- (e) The amendment or repeal or any resolution of the board which by its express terms is not so amendable or repeal able.
- (f) The appointment of committees of the board or the members thereof.
- (g) The expenditure of corporate funds without the approval of the Board of Directors.
- (h) The approval of any transaction to which this corporation is a party and in which one or more of the directors has a material financial interest, except as expressly provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law.

By a majority vote of its directors, the board may at any time revoke or modify any or all of the authority so delegated, increase or decrease the number of the committee members, and fill vacancies therein from the members of the board or membership.

SECTION 2. OTHER COMMITTEES

The corporation shall have such other committees as may from time to time be designated by resolution of the Board of Directors. Such other committees may consist of persons who are not also members of the board. These additional committees shall act in a capacity designated by the Board of Directors.

SECTION 3. MEETINGS AND ACTION OF COMMITTEES

Committees shall meet at their discretion or as requested by the Board of Directors and a report of such meetings shall be provided to the Board of Directors by the next regular board meeting.

Meetings and actions of committees will be governed by these bylaws and all actions must be approved by the Board of Directors.

ARTICLE 6 EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

SECTION 1. EXECUTION OF INSTRUMENTS

The Board of Directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed and countersigned by the President, Vice President, or Secretary of the corporation when the amount exceeds \$200.00.

SECTION 3. 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 select.

SECTION 4. GIFTS

The Board of Directors *may* accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

ARTICLE 7 CORPORATE RECORDS, REPORTS, AND SEAL

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office in the State of California:

- (a) Minutes of all meetings of directors, committees of the board, and of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- (b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- (c) A record of its members indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;
- (d) A copy of the corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members of the corporation at all reasonable times during office hours.

SECTION 2. CORPORATE SEAL

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

SECTION 3. DIRECTORS' INSPECTION RIGHTS

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation.

SECTION 4. MEMBERS' INSPECTION RIGHTS

Each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

- (a) To inspect and copy the record of all members' names, addresses, and voting rights, at reasonable times, upon five (5) business days' prior written demand on the corporation, which demand shall state the purpose for which the inspection rights are requested.
- (b) To obtain from the secretary of the corporation, upon written demand and payment of a reasonable charge, an alphabetized list of the names, addresses, and voting rights of those

members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available on or before the later of ten (10) business days after the demand is received or after the date specified therein as of which the list is to be compiled.

(c) To inspect at any reasonable time the books, records, or minutes of proceedings of the members or of the board or committees of the board, upon written demand on the corporation by the member, for a purpose reasonably related to such person's interests as a member.

SECTION 5. MEMBERS' RIGHT TO COPY AND MAKE EXTRACTS

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts, except for purposes of solicitation.

SECTION 6. ANNUAL REPORT

The board shall cause an annual report to be furnished to the general membership no later than the ensuing annual meeting after the close of the corporation's fiscal year. The report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the corporation 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 corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;
- (e) Any information required by Section 7 of this Article.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

If this corporation receives Fifty Thousand Dollars (\$50,000), or more, in gross revenues or receipts during the fiscal year, this corporation shall provide this information to all members at its annual meeting.

SECTION 7. ANNUAL STATEMENT OF SPECIFIC TRANSACTIONS TO MEMBERS

This corporation shall deliver to directors and any and all members a statement at the ensuing annual meeting after the close of its fiscal year which briefly describes the amount and circumstances of any indemnification or transaction of the following kind:

Any transaction in which the corporation was a party, and in which either of the following had a direct or indirect material financial interest:

- (a) Any director or officer of the corporation, or its parent or its subsidiary (a mere common directorship shall not be considered a material financial interest)

The above statement need only be provided with respect to a transaction during the previous fiscal year involving more than Fifty Thousand Dollars (\$50,000) or which was one of a number of transactions with the same persons involving, in the aggregate, more than Fifty Thousand Dollars (\$50,000).

Similarly, the statement need only be provided with respect to indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the previous fiscal year to any director or officer, except that no such statement need be made if such indemnification was approved by the members pursuant to Section 5238(e)(2) of the California Nonprofit Public Benefit Corporation Law.

Any statement required by this Section shall briefly describe the names of the interested persons involved in such transactions, stating each person's relationship to the corporation, the nature of such person's interest in the transaction, and, where practical, the amount of such interest, provided that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.

If this corporation has any members and provides all members with an annual report according to the provisions of Section 6 of this Article, then such annual report shall include the information required by this Section.

**ARTICLE 8
FISCAL YEAR**

SECTION 1. FISCAL YEAR OF THE CORPORATION

The fiscal year of the corporation shall begin on the first day of July and end on the thirtieth of June each year.

**ARTICLE 9
CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES**

SECTION 1. PURPOSE OF CONFLICT OF INTEREST POLICY

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's 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 any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations. In the absence of a formal policy, these bylaws will govern conflict of interest for the organization.

SECTION 2. DEFINITIONS

(a) Interested Person.

Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, 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:

- (1) an ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- (2) a compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
- (3) 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.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph b, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

SECTION 3. CONFLICT OF INTEREST AVOIDANCE PRODEDURES

(a) Duty to Disclose.

In connection with any 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 governing board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or 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.

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or 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.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or 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.

(d) Violations of the Conflicts of Interest Policy.

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 4. RECORDS OF BOARD AND BOARD COMMITTEE PROCEEDINGS

The minutes of meetings of the governing board and all committees with board delegated powers 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 governing boards or 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 votes relating 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 5. COMPENSATION APPROVAL POLICIES

Voting members of the governing board shall not receive compensation, directly or indirectly, from the corporation for services provided as a officer or board director of the organization.

SECTION 6. ANNUAL STATEMENTS

Each director, principal officer, and member of a committee with governing board delegated powers shall affirm such person:

- (a) has received a copy of the bylaws and any policies applicable to their duties
- (b) has read and understands the bylaws and applicable policies,
- (c) has agreed to comply with the bylaws and applicable policies, 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 7. PERIODIC REVIEWS

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, if any, 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.

SECTION 8. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE 10 AMENDMENT OF BYLAWS

SECTION 1. AMENDMENT

Subject to any provision of law applicable to the amendment of bylaws of public benefit nonprofit corporations, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by approval of the members of this corporation.

ARTICLE 11 AMENDMENT OF ARTICLES

SECTION 1. AMENDMENT OF ARTICLES AFTER ADMISSION OF MEMBERS

Amendment of the articles of incorporation may be adopted by the approval of the Board of Directors and by the approval of the members of this corporation.

SECTION 2. CERTAIN AMENDMENTS

Notwithstanding the above section of this Article, this corporation shall not amend its articles of incorporation to alter any statement which appears in the original articles of incorporation of the names and addresses of the first directors of this corporation, nor the name and address of its initial agent, except to correct an error in such statement or to delete such statement after the corporation has filed a “Statement by a Domestic Nonprofit Corporation” pursuant to Section 6210 of the California Nonprofit Corporation Law.

ARTICLE 12
PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

SECTION 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No member, director, officer, employee, or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person of reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. All members, if any, of the corporation shall be deemed to have expressly consented and agreed that on such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, shall be distributed as required by the articles of incorporation of this corporation and not otherwise.

ARTICLE 13
MEMBERS

SECTION 1. CLASSIFICATION OF MEMBERS

The current classifications of members of the organization are as follows:

[a] Individual, Senior/student, Family, Senior Family, Patron, Benefactor, and Life members shall be those persons interested in supporting the purposes of the Society.

[b] Business members shall be those businesses interested in promoting the purposes of the Society.

[c] Organizational members shall be those not-for-profit organizations interested in promoting the purposes of the Society, or with which the Board of Directors has authorized an exchange of membership.

[d] Honorary members and Emeritus members shall be those persons so designated by the Board of Directors.

The Board of Directors may approve, by majority vote, the addition or deletion of a membership classification. Members may self-identify as being eligible for a classification.

SECTION 2. ELIGIBILITY FOR MEMBERSHIP

Any individual, organization or business interested in furthering the purposes of The Eureka Heritage Society is eligible for membership. Applications for membership shall be in such form as prescribed by the Board of Directors.

SECTION 3. TERMINATION OF MEMBERSHIP

A membership shall terminate upon failure to pay the annual dues of the Society.

SECTION 4. DUES

All dues shall be payable at the beginning of the calendar year and delinquent sixty days thereafter. The amount of the dues for each class of member shall be set by the Board of Directors.

WRITTEN CONSENT OF DIRECTORS AMENDING BYLAWS

We, the undersigned, are the Directors of The Eureka Heritage Society Incorporated a California nonprofit corporation, and, pursuant to the authority granted to the directors by these bylaws to take action by unanimous consent to, and hereby do, amend the bylaws, now consisting of 29 pages.

Dated: _____

_____, Director

_____, Director

_____, Director

_____, Director

_____, Director

CERTIFICATE

This is to certify that the foregoing is a true and correct copy of the amendments to the bylaws of the corporation named in the title thereto and that such amendments were duly adopted by the Board of Directors of said corporation on the date set forth below.

Dated: _____

_____, Secretary