

**BYLAWS**  
**OF**  
**PACIFIC CREST TRAIL ASSOCIATION**

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**BYLAWS  
OF  
PACIFIC CREST TRAIL ASSOCIATION**

**ARTICLE I.  
ORGANIZATION**

The name of this organization shall be the Pacific Crest Trail Association (“PCTA”). The principal office of this corporation shall be located in the county of Sacramento, California.

The PCTA is a membership organization formed as a nonprofit public benefit corporation under the laws of the State of California and recognized as a charitable and educational organization under Internal Revenue Code Section 501(c)(3).

The mission of the PCTA is to protect, preserve and promote the Pacific Crest National Scenic Trail as an internationally significant resource for the enjoyment of hikers and equestrians, and for the value that wild and scenic lands provide to all people.

**ARTICLE II.  
MEMBERSHIP**

Section 1. Classification of Members. PCTA shall have members with voting rights as specified in these Bylaws. The qualifications or eligibility requirements for membership and the rights and obligations of members shall be as provided in these Bylaws or under applicable law. Each member shall have one and only one vote.

Section 2. Qualifications for Membership. Members may be individuals, associations, clubs, or organizations. Each member must support the purposes of PCTA and must meet any additional requirements established by the Board of Directors (the “Board”).

Section 3. Admission of Members. Membership shall commence upon payment of any required dues, unless the Executive Director or Board of PCTA has a reasonable belief that the potential member would not support the purposes of PCTA or would fail to meet any other qualification for membership.

Section 4. Membership Dues. Each member must pay to PCTA, within the time and on the conditions set by the Board, dues and fees in amounts to be fixed from time to time by the Board. The Board may determine the conditions under which any payment of dues shall be refundable.

Section 5. Assessments. PCTA shall not have the right to impose assessments upon its members.

Section 6. Good Standing. Those members who have paid the required dues and who are not suspended, shall be members in good standing of PCTA.

Section 7. Membership Roster. PCTA shall keep a membership roster containing the name of each member and the last address provided to PCTA by the member for purposes of notice. The roster shall indicate whether a member is in good standing.

Section 8. Nonliability of Members. No member of PCTA shall be personally liable for the debts, liabilities, or obligations of PCTA.

Section 9. Transferability of Memberships. Membership in PCTA, or any right arising therefrom, may not be transferred or assigned. Any attempted transfer shall be void.

Section 10. Designated Representatives. Any members of PCTA that are organizations shall exercise all the rights and obligations of membership in PCTA, including the right to vote, through a designated representative. Each member organization shall designate its representative in a writing executed by an authorized officer of the organization delivered to PCTA, which shall be retained with the membership records of PCTA. A member organization may change its designated representative at any time and from time to time in the same manner.

Section 11. Termination of Membership. Membership in PCTA shall continue until terminated as provided in this Section, or until the member dies, dissolves, or resigns in a writing delivered to PCTA.

A. Basis for Termination. Membership in PCTA shall terminate upon the occurrence of any of the following events or conditions:

(i) Nonpayment of Dues. Membership in PCTA shall automatically terminate thirty days after the expiration of the period of time for which the member has paid dues, which shall be one year unless stated otherwise. A member may avoid such termination by paying the amount of delinquent dues within such thirty-days, unless the Executive Director or Board of PCTA has a reasonable belief that the renewing member would not support the purposes of PCTA or would fail to meet any other qualification for membership.

(ii) Interests of Corporation. On a good faith finding by the Board, made in accordance with this Section, that continued participation by the member in PCTA as a member is not in the best interests of PCTA and the furtherance of its purposes.

B. Termination Procedures. In the case of proposed termination of a membership under subsection A. ii above, the following procedures shall apply:

(i) Notice. PCTA shall send a written notice to the member, setting forth the proposal for termination, the reasons for it, the date on which the proposed termination shall become effective, and the date, time, and place (if any) of the hearing described in the next subsection. Such notice shall be sent at least fifteen days before the proposed date of termination, and at least ten days before the date set for the hearing, by first-class or registered mail, to the last address provided by the member to PCTA for purposes of notice.

(ii) Hearing. The member shall be given an opportunity to be heard, either orally or in writing, not less than five days before the effective date of the proposed termination, by the Board or the person or committee authorized by the Board to decide whether the proposed termination will take

place. If the member does not appear and has not notified the Secretary of any adequate reason therefor, or chooses not to appear at the hearing, the termination shall be effective automatically on the proposed date of termination.

(a) The Board may take interim disciplinary actions pending the hearing, if necessary to protect the vital interests of the corporation or to prevent any imminent harm to the corporation.

(b) After the hearing is ended and the member has been excused, the Board shall discuss and vote on the proposed disciplinary action. The deliberations shall be limited to considering only the evidence presented during the hearing and the charges stated in the Board resolution. To take disciplinary action, a majority of the Board then in office must be persuaded that, more probably than not, one or more of the allegations charged in the resolution are true. The decision of the Board of Directors shall be final.

(c) The Board has complete and sole discretion to decide questions that may arise regarding this disciplinary procedure in order to ensure that it is conducted in good faith and in a fair and reasonable manner, considering the best interests of the corporation. The Board is authorized to adopt and modify from time to time specific policies and procedures for disciplinary proceedings, and the rights of the member charged are limited to those stated in such policies and procedures and in this Section, and no other rights should be presumed or inferred. The member charged does not have any absolute right to legal counsel, to identify or confront witnesses against the member, or to more information about the charges or the evidence beyond that provided in the notice of hearing. All types of evidence, including statements from persons who are not present at the hearing, may be considered. A decision by the Board to permit or not permit certain forms of participation in one disciplinary situation shall not bind the Board to the same approach in another situation.

(iii) Determination. Following the hearing date, the Board (or the person or committee authorized by the Board to decide whether the proposed termination will take place) shall decide whether or not the member should in fact be terminated, suspended, or sanctioned in some other way. That decision shall be final, and the member shall be promptly notified of it. If a member is terminated hereunder, all membership rights of such member in PCTA shall cease on the effective date of the termination stated in the notice given pursuant to subsection B. i above.

(iv) Refund. The Board may determine whether any person whose membership has been terminated or suspended shall receive a refund of any dues already paid. Any refund shall be prorated to return only the unaccrued balance remaining for the period of the dues payment.

### **ARTICLE III. MEMBERSHIP RIGHTS**

Section 1. Voting Rights. Members of PCTA shall have the right to vote, as set forth in these Bylaws, on:

(a) the election of directors;

(b) the removal of directors pursuant to Section 5222 of the California Nonprofit Public Benefit Corporation Law;

(c) any amendment to these Bylaws that materially and adversely affects member voting rights, and all amendments to the Articles of Incorporation of PCTA, except for amendments permitted to be adopted by the Board of Directors alone under Section 5812(b) of the California Nonprofit Public Benefit Corporation Law;

(d) the disposition of all or substantially all of the assets of PCTA;

(e) any merger of PCTA;

(f) any dissolution of PCTA; and

(g) any other matters that may properly be presented to members for a vote, pursuant to PCTA's Articles, Bylaws, or action of the Board, or by operation of law.

## Section 2. Inspection Rights.

A. Articles and Bylaws. PCTA shall keep at its principal office in California current copies of the Articles of Incorporation and Bylaws of PCTA, which shall be open to inspection by members at all reasonable times. If PCTA has no principal office in California, the Secretary shall furnish such copies to any member on written request therefor.

B. Accounting Records; Minutes. On written request, any member (in person or through an agent or attorney) may inspect and copy the accounting books and records of PCTA and the minutes of the proceedings of the members, the Board, or any Board Committee, at any reasonable time and for a purpose reasonably related to the member's interests as a member.

C. Membership Records. The right of members to have access to the membership records of PCTA shall be governed by Sections 6330 through 6332 of the California Nonprofit Public Benefit Corporation Law.

Section 3. Other Rights. In addition to the rights described in these Bylaws, members of PCTA shall have any other rights afforded voting members under the California Nonprofit Public Benefit Corporation Law.

## **ARTICLE IV. MEMBER MEETINGS AND VOTING**

Section 1. Member Voting. Each member in good standing shall have one vote on each matter on which the members are entitled to vote.

Section 2. Annual Member Meetings. An annual meeting of the membership will be held at a date, place, and time determined by the Board, for the purpose of transacting such business as may come before the meeting. Election of directors shall occur only by written ballot without a meeting under Section 10.D, below.



Section 3. Special Meetings of Members.

A. Who May Call. Special meetings of the members may be called by the Board, the Chair with the approval of the Executive Committee, or on the written request of five percent (5%) of the membership as of the date such petition was signed.

B. Procedures for Calling Special Meetings Requested by Members. If a special meeting is called by members, the requesting members shall deliver a written notice specifying the general nature of the business proposed to be transacted personally, by registered mail, facsimile transmission, or by electronic transmission such as email in compliance with Article X, Section 5, of these Bylaws to the Chair, Secretary, or Executive Director of PCTA. The requested meeting will be held not less than thirty-five, nor more than ninety, days following the receipt of the request. If appropriate notice of such a meeting is not given within twenty days after delivery of the request, the requesting members may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time of any meeting of members called by the Board, the Chair, or the Executive Committee.

Section 4. Record Dates. For any notice, vote (at a meeting or by written ballot), or exercise of rights, the Board may, in advance, by resolution, fix a record date, and only members of record on the date so fixed shall be entitled to notice, vote, or exercise rights, as the case may be. For this purpose, a person holding a membership as of the close of business on the record date shall be deemed a member of record.

A. Notice of Meetings. Unless otherwise fixed by the Board, the record date for the purpose of determining which members are entitled to notice of any members' meeting, shall be the business day preceding the date on which notice for that meeting is given. If the Board, by resolution, fixes a record date for notice, the record date shall be not less than ten, nor more than ninety, days before the date of the meeting.

B. Voting at Meetings. Unless otherwise fixed by the Board, the record date for the purpose of determining which members are entitled to vote at any members' meeting, shall be the day of that meeting. If the Board, by resolution, fixes a record date for voting, the record date shall be not more than sixty days before the date of the meeting.

C. Voting by Written Ballot. Unless otherwise fixed by the Board, the record date for the purpose of determining which members are entitled to vote by written ballot shall be the day on which the first written ballot is mailed or solicited. If the Board, by resolution, fixes a record date for voting, the record date shall be not more than sixty days before the day on which the first written ballot is mailed or solicited.

D. Other Lawful Action. Unless otherwise fixed by the Board, the record date for the purpose of determining which members are entitled to exercise any rights in respect to any other lawful action, shall be the date on which the Board adopts the resolution relating thereto or the sixtieth day before the date of such other action, whichever is later. If the Board, by resolution, fixes a record date for determining entitlements, the record date shall be not more than sixty days before the date of such other action.

Section 5. Time and Manner of Notice of Meetings. PCTA shall give written notice of each members' meeting to each member who, as of the record date for notice of the meeting, would be entitled to vote at such meeting. The notice shall be delivered to the last address provided by the member to PCTA for purposes of notice, either personally or by telegram, facsimile transmission, electronic transmission in compliance with Article X, Section 6, or first-class, registered, or certified mail not less than ten nor more than ninety days before the date of such meeting, or by other mail not less than twenty nor more than ninety days before the date of such meeting.

Section 6. Contents of Notice. The notice shall state the place, date and time of the meeting and the general nature of the business to be transacted, and no other business may be transacted. In the case of the annual meeting, the notice shall state those matters which the Board, as of the date of the notice, intends to present for action by the members, but any matter within the general nature of the business stated in the notice may be presented at the annual meeting for such action.

Section 7. Notice of Certain Actions Required. Any of the following votes shall be valid only if the general nature of the action approved was stated in the notice of the meeting at which the vote occurred: (a) to remove a director with or without cause, (b) to fill a vacancy on the Board, (c) to amend PCTA's Articles of Incorporation or Bylaws, or (d) to voluntarily dissolve PCTA.

Section 8. Member Quorum. A quorum shall consist of two percent (2%) of the memberships then in effect or fifty (50) members, whichever is less. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of enough members to leave less than a quorum, so long as any action taken thereafter is approved by at least a majority of the required quorum.

Section 9. Act of the Members. Every decision or act made or done by a majority of voting members present and voting at a duly held meeting at which a quorum is present is the act of the members, unless the law, the Articles of Incorporation of PCTA, or these Bylaws require a greater number.

Section 10. Manner of Voting.

A. Voting at Meetings. Voting at meetings may be by voice or by secret ballot, provided that any vote designated by the chairman of the meeting, in his or her discretion, or requested by ten percent of the voting power present at the meeting, shall be conducted by secret ballot. Subject to any guidelines and procedures that the Board may adopt, members not physically present in person at a face-to-face membership meeting may, by electronic transmission in compliance with Section 12 of this Article, or by electronic video screen communication, participate in the meeting, be deemed present in person and vote at the meeting.

B. Proxy Voting Prohibited. Proxy voting shall not be permitted on any matter put to the vote of the members.

C. Cumulative Voting Prohibited. Cumulative voting shall not be permitted.

D. Action by Written Ballot Without a Meeting.

(i) Generally. Any action required or permitted to be taken by members at a meeting may, in the sole discretion of the Board, be submitted for a vote by written ballot pursuant to this Section without a meeting. The election of directors shall be conducted only by written ballot without a meeting.

(ii) Content of Written Ballots. Any written ballot distributed to the members to vote on a matter shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposal.

(iii) Time for Return of Ballots. All written ballots shall provide a reasonable time within which to return them to PCTA and each ballot shall state on its face or in an accompanying notice the date by which it must be returned in order to be counted.

(iv) Requirements for Valid Action. Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the required quorum set forth in these Bylaws, and the number of approvals equals or exceeds the number of votes that would be required to approve the action if the vote were taken at a meeting of the members.

(v) Solicitation Rules. Written ballots shall be solicited in a manner consistent with the requirements for notice of members' meetings. PCTA may send the ballot and any related materials, and the member may return the ballot, by electronic transmission, in compliance with Article X, Sections 5 and 6, of these Bylaws, as applicable. All solicitations of written ballots shall indicate the number of responses needed to meet the quorum requirement for valid action and shall state the percentage of affirmative votes necessary to approve the measure submitted for membership approval.

(vi) No Revocation of Written Ballots. A written ballot may not be changed or revoked once it has been submitted to PCTA.

E. Election Ballots. Any ballot used in the election of directors shall set forth the names of the candidates who have been properly nominated at the time the ballot is issued. The ballot shall also provide a space for members to designate a vote for a candidate not on the ballot.

Section 11. Waiver of Notice by Attendance. Attendance by a member at a meeting shall also constitute a waiver of notice of that meeting, unless the member attends for the sole purpose of objecting at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting which are required to be described therein pursuant to Section 7 of this Article, if that objection is expressly made at the meeting.

Section 12. Meetings by Electronic Transmission. A meeting of the members may be conducted, in whole or in part, by electronic transmission in compliance with Article X, Sections 5 and 6, as applicable, or by electronic media screen communication, so long as all of the following apply:

(a) This corporation has implemented reasonable measures to provide members a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members,

including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings; and

(b) If any member votes or takes other action at the meeting by means of electronic transmission or electronic video screen communication, this corporation maintains a record of any vote or action taken by a member by means of electronic transmission.

Any request by this corporation for a member's consent to conduct a meeting by electronic transmission shall include a notice that, absent consent of the member, the face-to-face membership meeting shall be held at a physical location at which members may attend and participate in person.

## **ARTICLE V. BOARD OF DIRECTORS**

Section 1. Corporate Powers; Exercise By Board. PCTA shall have powers to the full extent allowed by law. All powers and activities of this corporation shall be exercised and managed by the Board of PCTA directly or, if delegated, under the ultimate direction of the Board.

Section 2. Number and Qualification of Directors. The authorized number of directors shall be not less than twelve nor more than twenty, with the exact authorized number of directors to be fixed from time to time by resolution of the Board of Directors. Any amendment of the preceding sentence shall require the approval of the members. Directors of this corporation must be members of PCTA in good standing at the time of their election.

Section 3. Limitations on Interested Persons. At all times, not more than 49 percent of the directors of PCTA may be interested persons. An interested person means either:

(a) any person currently being compensated by PCTA for services rendered to it within the previous twelve months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director in his or her capacity as director; or

(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 4. Nomination of Directors.

(a) The Chair shall appoint a committee to select qualified candidates for election to the Board at least 120 days before the date of any election of directors. This nominating committee shall make its report at least 50 days before the date of the election, and the Secretary shall forward to each member, with the notice of the meeting in accordance with Sections 5 and 6 of Article IV of these Bylaws, a list of all candidates so nominated.

(b) Further nominations may be made by petition signed by not less than the following number of Members of the Association:

(i) If there are less than 5000 Members eligible to vote at the election in question, by at least 2% of the number of Members so eligible;

(ii) If there are 5000 or more Members eligible to vote at the election in question, by at least 1/20th of one percent of the number of Members so eligible, but not less than 100 nor more than 500 Members shall be required;

(iii) All nominations and petitions for nominations must be delivered in writing to the Secretary or the Chair before nominations are closed. Nominations shall be closed 50 days prior to the date set for the election of directors.

Section 5. Election and Term of Office of Directors. Directors shall be elected annually by the members by written ballot. Each director shall be elected for a term of three years. Each year the number of directors to be elected shall be determined by the number of directors whose terms will expire that year, including all board-appointed directors described in Section 6, below. Each director shall hold office until expiration of the term and until a successor has been elected. A director may serve an unlimited number of terms. However, no director may serve more than three consecutive full, three year terms.

Section 6. Vacancies. A vacancy shall be deemed to exist on the Board in the event that the actual number of directors is less than the authorized number for any reason. Vacancies may be filled by the majority vote of the Board (unless the vacancy was created by removal of a director by the members), or by the members. Any director appointed by the Board to fill a vacancy shall serve only until the next election of directors. The nominating committee described in Section 4, above, shall consider the board-appointed director for nomination in such election. If elected, the director then begins a three-year term.

Section 7. Resignation and Removal of Directors. Resignations shall be effective upon receipt in writing by the Chair, Secretary, or Executive Director of PCTA, unless a later effective date is specified in the resignation. The members may remove any director at any time, with or without cause, provided that no vote to remove a director may be taken without notice to the members pursuant to Article IV, Section 5.

Section 8. Board Meetings. A meeting of the Board shall be held at least once a year. Meetings shall be called by the Chair or any two directors, and noticed in accordance with Section 10 of this Article.

Section 9. Notice. Notice of any meeting of the Board shall state the date, place, and time of the meeting and shall be given to each director at least seven days before any such meeting if given by first-class mail or forty-eight hours before any such meeting if given personally or by telephone, including a voice messaging system, or by other electronic transmission such as e-mail, in compliance with Article X, Section 5 of these Bylaws.

Section 10. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed and wherever held, shall be valid as though taken at a meeting duly held after proper call and notice, if a quorum is present and if, either before or after the meeting, each of the directors not present provides in writing a waiver of notice, a consent to holding the meeting, or an approval of the

minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting the lack of adequate notice before the meeting or at its commencement.

Section 11. Quorum. A majority of the total number of directors then in office shall constitute a quorum, provided that in no event shall the required quorum be less than one-fifth of the authorized number of directors or two directors, whichever is larger. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in Article V, Sections 6 (filling board vacancies) and 12 (taking action without a meeting); Article VI, Section 1 (appointing Board Committees); Article VIII, Section 3 (approving self-dealing transactions); Article IX, Section 2 (approving indemnification); and Article X, Section 7 (amending Bylaws), of these Bylaws or in the California Nonprofit Public Benefit Corporation Law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 12. Action Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board (other than any director interested in a transaction so approved) shall individually or collectively consent to such action in writing. Such written consents shall be filed with the minutes of the proceedings of the Board, and shall have the same force and effect as the unanimous vote of such directors.

Section 13. Telephone and Electronic Meetings. Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other electronic transmission in compliance with Article X, Section 5 of these Bylaws so long as all of the following apply:

- (a) each director participating in the meeting can communicate with all of the other directors concurrently; and
- (b) each director is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

Section 14. Standard of Care.

A. General. A director shall perform the duties of a director, including duties as a member of any Board Committee on which the director may serve, in good faith, in a manner such director believes to be in the best interest of PCTA and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(i) one or more officers or employees of PCTA whom the director believes to be reliable and competent as to the matters presented;

(ii) counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence; or

(iii) a Board Committee upon which the director does not serve, as to matters within its designated authority, provided that the director believes such Committee merits confidence;

so long as in any such case, the director acts in good faith after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in Article VIII below, a person who performs the duties of a director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which PCTA, or assets held by it, are dedicated.

Section 15. Director Inspection Rights. Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents, and to inspect the physical properties of PCTA.

Section 16. Compensation of Directors. Members of the Board shall serve without compensation. The Board may authorize, by resolution, the payment to a director of reasonable expenses for services as a director. The Board may authorize the advance or reimbursement to a director of actual reasonable expenses incurred in carrying out his or her duties as a director, such as for attending meetings of the Board and Board Committees.

Section 17. Executive Compensation Review. The Board shall review any compensation packages of the chief executive officer and the chief financial officer, regardless of job title, and shall approve such compensation only after determining that it is just and reasonable. This review and approval shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified, unless the modification applies to substantially all of the employees of PCTA.

## **ARTICLE VI. COMMITTEES**

Section 1. Board Committees. The Board may, by resolution adopted by a majority of the directors then in office, create any number of Board Committees, each consisting of at least two directors to serve at the pleasure of the Board. The Executive Director shall serve as a non-voting advisor to all Board Committees. The committee chair may appoint other individuals who are not members of the Board to serve as non-voting advisors to the committee. Appointments of voting members to any Board Committee shall be by a majority vote of the directors then in office. Board Committees may be given all the authority of the Board, except for the powers to:

- (a) set the number of directors within a range specified in these Bylaws;
- (b) fill vacancies on the Board or on any Board Committee;
- (c) fix compensation of directors for serving on the Board or any Board Committee;
- (d) amend or repeal these Bylaws or adopt new Bylaws;
- (e) approve amendments to the Articles of Incorporation of PCTA;
- (f) amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (g) create any other Board Committees or appoint the members of any Board Committees;
- (h) spend corporate funds to support a nominee for director after there are more nominees than can be elected; or
- (i) approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of PCTA.

Section 2. Executive Committee. The Executive Committee shall consist of the Chair and up to four other directors. The Executive Director shall serve as a non-voting advisor to the Executive Committee. As provided in Section 1 of this Article VI, the Board shall appoint directors to be members of the Executive Committee and the Committee may exercise the authority of the Board in the management of PCTA between meetings of the Board. The Executive Committee shall, at each regular meeting of the Board, make a full report of all business transacted by the Executive Committee since the last such report to the Board.

Section 3. Audit Committee. For any tax year in which PCTA has gross revenues of \$2 million or more, excluding grant or contract income from any governmental entity for which the governmental entity requires an accounting, PCTA shall have an Audit Committee whose members shall be appointed by the Board, and who may include both directors and non-directors, subject to the following limitations: (a) members of the finance committee, if any, shall constitute less than one-half of the membership of the Audit Committee; (b) the chair of the Audit Committee may not be a member of the finance committee, if any; (c) the Audit Committee may not include any member of the staff, including the chief executive officer and chief financial officer; (d) the Audit Committee may not include any person who has a material financial interest in any entity doing business with PCTA; and (e) Audit Committee members who are not directors may not receive compensation.

If the Audit Committee is composed and appointed as required by Section 1 above (concerning Board Committees), it shall be deemed a Board Committee on which the other directors are entitled to rely as provided in Article V, Section 14 of these Bylaws; otherwise, the Board shall remain responsible for oversight and supervision of the Audit Committee as an Advisory Committee.

The Audit Committee shall: (1) recommend to the Board of Directors the retention and, when appropriate, the termination of an independent certified public accountant to serve as auditor, (2)



negotiate the compensation of the auditor on behalf of the Board, (3) confer with the auditor to satisfy the Audit Committee members that the financial affairs of this corporation are in order, (4) review and determine whether to accept the audit, and (5) approve performance of any non-audit services provided to this corporation by the auditor's firm.

Section 4. Meetings. Meetings and actions of Board Committees shall be governed by and held and taken in accordance with the provisions of Article V of these Bylaws concerning meetings and actions of the Board, with such changes in the content of those Bylaws as are necessary to substitute the Board Committee and its members for the Board and its members. Minutes shall be kept of each meeting of any Board Committee and shall be filed with the corporate records.

## **ARTICLE VII. OFFICERS**

Section 1. Officers. The officers of PCTA shall be a Chair, a Vice-Chair, a Secretary, a Treasurer, and an Executive Director. The corporation may also have, at the discretion of the directors, such other officers as may be appointed by the Board. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the Chair. The Chair, Vice-Chair, Secretary, and Treasurer shall be elected from among the directors of the corporation.

Section 2. Election. The officers other than the Executive Director shall be elected annually by the Board, and each shall serve at the pleasure of the Board. The Executive Director shall serve pursuant to the terms of an employment agreement.

Section 3. Removal. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board or by an officer on whom such power of removal may be conferred by the Board.

Section 4. Resignation. Any officer may resign at any time by giving written notice to this corporation. Any resignation shall take effect on receipt of that notice by such officer or at any later time specified by that notice and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of this corporation under any contract to which the officer is a party.

Section 5. Vacancies. A vacancy in any office for any reason shall be filled in the same manner as these Bylaws provide for election to that office.

Section 6. Chair. The Chair shall preside at all meetings of the members, the Board, and the Executive Committee, shall appoint and remove Board committee chairs in the Chair's discretion subject to confirmation of such action by the Board, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 7. Vice Chair. The Vice Chair shall, in the absence of the Chair, carry out the duties of the Chair and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 8. Secretary. The Secretary shall supervise the keeping of a full and complete record of the proceedings of the members and the Board and its committees, if any, shall supervise the giving of such notices as may be proper or necessary, shall supervise the keeping of the minute books and membership records of this corporation, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 9. Treasurer. The Treasurer shall assist the Board in its responsibility to provide financial oversight by monitoring and reporting to the Board of the status PCTA's finances. The Treasurer shall not be the chief financial officer of the corporation if a staff person is employed to serve in that position.

Section 10. Executive Director. The Executive Director shall be the chief executive officer of this corporation and shall, subject to control of the Board, generally supervise, direct and control the business and supervise the staff of this corporation. The Executive Director shall have the general powers and duties of management usually vested in the chief executive officer of a corporation and shall have such other powers and duties as may be prescribed by the Board or these Bylaws subject to the rights, if any, of the Executive Director under any contract of employment.

## **ARTICLE VIII. CERTAIN TRANSACTIONS**

Section 1. Loans. Except as permitted by Section 5236 of the California Nonprofit Public Benefit Corporation Law, PCTA shall not make any loan of money or property to, or guarantee the obligation of, any director or officer; provided, however, that PCTA may advance money to a director or officer of PCTA or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such director or officer so long as such individual would be entitled to be reimbursed for such expenses absent that advance. Any such advance must be approved by the Board.

Section 2. Self-Dealing Transactions. Except as provided in Section 3 of this Article, the Board shall not approve, or permit the corporation to engage in, any self dealing transaction. A self-dealing transaction is a transaction to which PCTA is a party and in which one or more of its directors has a material financial interest, unless the transaction comes within Section 5233(b) of the California Nonprofit Public Benefit Corporation Law.

Section 3. Approval. PCTA may engage in a self dealing transaction if the transaction is approved by a court or by the Attorney General. PCTA may also engage in a self-dealing transaction if the Board determines, before the transaction, that (a) PCTA is entering into the transaction for its own benefit; (b) the transaction is fair and reasonable to PCTA at the time; and (c) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the director's interest in the transaction, and by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors.

Where it is not reasonably practicable to obtain approval of the Board before entering into a self-dealing transaction, the Executive Committee may approve such transaction in a manner consistent with the foregoing requirements, provided that, at its next meeting, the full Board determines

in good faith that the Executive Committee's approval of the transaction was consistent with such requirements and that it was not reasonably practical to obtain advance approval by the full Board, and ratifies the transaction by a majority of the directors then in office without the vote of any interested director.

## **ARTICLE IX. INDEMNIFICATION AND INSURANCE**

Section 1. Right of Indemnity. To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, PCTA shall indemnify its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article, "agent" shall have the same meaning as in Section 5238(a), including directors, officers, employees, other agents, and persons formerly occupying such positions; "proceeding" shall have the same meaning as in Section 5238(a), including any threatened action or investigation under Section 5233 or brought by the Attorney General; and "expenses" shall have the same meaning as in Section 5238(a), including reasonable attorneys' fees.

Section 2. Approval of Indemnity. On written request to the Board in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board shall promptly determine, by a majority vote of a quorum consisting of directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, shall authorize indemnification to the extent permitted thereby. If the Board cannot do so because there is no quorum of directors who are not party to the proceeding for which indemnification is sought, the Board shall promptly call a meeting of the members. At that meeting, the members shall determine whether, in the specific case, the applicable standard of conduct stated in such Section has been met, and, if so, the members shall authorize indemnification to the extent permitted thereby.

Section 3. Advancing Expenses. The Board may authorize the advance of expenses incurred by or on behalf of an agent of PCTA in defending any proceeding prior to final disposition, if the Board finds that:

- (a) the requested advances are reasonable in amount under the circumstances; and
- (b) before any advance is made, the agent will submit a written undertaking satisfactory to the Board to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article.

The Board shall determine whether undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

Section 4. Insurance. The Board may adopt a resolution authorizing the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, and such insurance may provide for coverage against liabilities beyond PCTA's power to indemnify the agent under law.

**ARTICLE X.  
MISCELLANEOUS**

Section 1. Fiscal Year. The fiscal year of PCTA shall end each year on December 31.

Section 2. Contracts, Notes, and Checks. All contracts entered into on behalf of PCTA must be authorized by the Executive Director or such other person as may be specifically designated by the Board, and, except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of PCTA shall be signed by the Executive Director or such other person as may be specifically designated by the Board.

Section 3. Annual Reports to Members and Directors.

A. Financial Report. Unless PCTA receives less than \$25,000 in gross revenues or receipts during the fiscal year, within 120 days after the end of PCTA's fiscal year, the Board shall furnish a written report to all of the directors and members of PCTA containing the following information:

- (i) the assets and liabilities, including the trust funds of PCTA, as of the end of the fiscal year;
- (ii) the principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (iii) the revenue or receipts of PCTA, both unrestricted and restricted for particular purposes, for the fiscal year;
- (iv) the expenses or disbursements of PCTA, for both general and restricted purposes, for the fiscal year; and
- (v) any information required by subsection B below.

The foregoing report shall be accompanied by any report thereon of independent accountants or, if such report has not yet been completed, the certificate of an authorized officer of PCTA that such statements were prepared without an audit from the books and records of PCTA. The report and any accompanying material may be sent by mail or by electronic transmission in compliance with Article X, Section 5 of these Bylaws.

If PCTA receives less than \$25,000 in gross revenues or receipts during the fiscal year, the report described above must be furnished only to the directors and any member who requests it in writing.

B. Report of Certain Transactions. Unless PCTA furnishes the report required by subsection A above, within 120 days after the end of PCTA's fiscal year, the Board shall furnish a written report to all of the members and directors of PCTA containing the following:

(i) a description of any transaction during the previous fiscal year involving \$50,000 or more between PCTA and any of its directors or officers, including the names of the interested persons, their relationship to PCTA, the nature of their interest in the transaction and, where practicable, the value of such interest; and

(ii) the amount and circumstances of any indemnifications or advances aggregating more than \$10,000 that were paid during the fiscal year to any director or officer of PCTA, and that were not approved by the members of PCTA.

If no transaction required to be reported has occurred during the fiscal year, no report is required for that fiscal year.

Section 4. Required Financial Audits. PCTA shall obtain an independent financial audit for each fiscal year. Audited financial statements obtained by PCTA shall be made available for inspection by the Attorney General and the general public within nine months after the close of the fiscal year to which the statements relate, and shall remain available for three years (1) by making them available at PCTA's principal, regional, and district offices during regular business hours and (2) either by mailing a copy to any person who so requests in person or in writing or by posting them on PCTA's website.

Section 5. Electronic Transmissions. Unless otherwise provided in these Bylaws, and subject to any guidelines and procedures that the Board may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means, and may include electronic transmissions, such as facsimile or email, provided (i) for electronic transmissions from the corporation, the corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic transmissions to the corporation, the corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

Section 6. Electronic Transmissions to Members. An electronic transmission by the corporation to a member is valid only if the following requirements have been satisfied:

(a) The member has affirmatively consented (and has not withdrawn consent) to the use of electronic transmissions, as required by the preceding section;

(b) If the member is a natural person, prior to or at the time of consenting, the member received a clear written statement informing him or her of:

(i) any right or option to have the transmissions provided or made available on paper or in nonelectronic form;

(ii) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the corporation; and

(iii) the procedures the member must use to withdraw consent.

Section 7. Amendments. These bylaws may be amended by majority vote of the members present and voting at any meeting of the members, or upon a written ballot of the members without a meeting, or by majority vote of the then serving members of the Board provided that the Board may not amend the Bylaws if the amendment would materially and adversely affect the rights of the members to vote, or to transfer their memberships. Members may present a bylaw amendment for consideration by the Board or the members by submitting a petition signed by not less than 5% of the members in good standing. If a proposed bylaw amendment will be considered at a meeting, it shall be submitted in writing to the persons entitled to vote thereon at least ten days before such meeting.

Section 8. Governing Law. In all matters not specified in these Bylaws, or in the event these Bylaws shall not comply with applicable law, the California Nonprofit Public Benefit Corporation Law as then in effect shall apply.

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that he/she is presently the duly elected and acting Secretary of Pacific Crest Trail Association, a California nonprofit public benefit corporation, and that the above Bylaws, consisting of 18 pages, are the Bylaws of this corporation as adopted by the members by written ballot, on \_\_\_\_\_.

DATED: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_