

BYLAWS
OF
THE CALIFORNIA MID-STATE FAIR
HERITAGE FOUNDATION, INC.

A California Nonprofit Public Benefit Corporation

ARTICLE I
NAME: OFFICE

Section 1. NAME. The name of this Corporation is the California Mid-State Fair Heritage Foundation, Inc. (“Corporation”).

Section 2. PRINCIPAL OFFICE. The principal office for the transaction of the activities and affairs of the Corporation (“principal office”) is located at 2198 Riverside Avenue, Paso Robles, and California 93446.

ARTICLE II
PURPOSES

Section 1. PURPOSES. This Corporation is a nonprofit public benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

The specific and primary purpose and activities for which the Corporation is organized are the receiving of membership dues, grants and charitable donations to preserve and enrich the heritage of the 16th District Agricultural Association and showcase agriculture industries to the community. The Corporation will offer support to the 4-H and FFA programs, create agricultural education opportunities, and maintain a standard of excellence in the facilities by implementing capital improvements. Any and all capital improvements are subject to approval of the 16th District Agricultural Association’s Board of Directors.

ARTICLE III MEMBERSHIP

Section 1. CLASSES AND RIGHTS. This Corporation shall have three classes of membership. These three classes shall be Regular, Honorary and Lifetime. The members shall have all rights afforded members under the California Nonprofit Public Benefit Corporation Law, including, without imitation, the right to vote, as set forth in these Bylaws, on the election of Directors, on the disposition of all or substantially all of the Corporation's assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the Corporation.

Section 2. REQUIREMENTS FOR MEMBERSHIP. Membership to this Corporation shall be at the discretion of the Board of Directors. Each membership allows for two people per membership for an amount set by the Board of Directors.

Section 3. TERMINATION OF MEMBERSHIP. Membership may be terminated by resignation, failure to pay dues, failure to make trade annually or for cause as set by the Board of Directors.

Section 4. HONORARY MEMBERS. The members of the Corporation have the right to appoint honorary membership with approval from the Board of Directors. Honorary membership nominations shall be voted on at a closed session using closed ballots.

ARTICLE IV MEETINGS

Section 1. ANNUAL MEETINGS. The annual Member meeting of the Corporation shall be held during the month of November, unless a member sets another date or time. At this meeting the Board of Directors shall be elected and any other proper business may be transacted.

Section 2. NOTICE OF MEETING. Notice of each meeting of the membership shall be mailed, first class mail, or otherwise delivered to each member at the last recorded address at least ten (10) days and not

more than ninety (90) days in advance of the meeting. This notice shall set forth the place, time and purpose of this meeting. The transaction of any Member meeting however called or noticed and whenever held, shall be as valid as though taken at a meeting duly held after notice, if a quorum is present.

Section 3. SPECIAL MEETINGS. Special meetings can be called by the officers of the Board on a twenty-four (24) hour notice. No business other than that specified in the notice of the meeting shall be transacted at any special meeting of the membership.

Section 4. QUORUM. One-half plus one of the voting power shall constitute a quorum for the transaction of business at any meeting of the membership.

Section 5. VOTING. Annual dues of \$1000.00 per membership shall entitle member to one vote at any annual meeting or by proxy. A member may vote by proxy. The written consent shall be filed in the records of the Corporation. An action taken by written consent shall have the same force and effect as the unanimous vote of the membership at the annual meeting duly called and held.

ARTICLE V DIRECTORS

Section 1. GENERAL CORPORATE POWERS. Subject to the provisions and limitations of the California Nonprofit Benefit Corporation Law and any other applicable laws, the Corporation's activities and affair's shall be managed, and all corporate powers shall be exercised by or under direct of the Board.

Section 2. SPECIFIC POWERS. Without prejudice to the general powers set forth in Article V, Section 1 of these Bylaws, but subject to the same limitations, the Directors shall have power to:

- (a) Appoint and remove, at the pleasure of the Board, all the Corporation's officers and agents; prescribe powers and duties for them that are consistent with law, with the Articles of

- (b) Change the principal office or the principal business office in California from one location to another.
- (c) Borrow money and incur indebtedness on the Corporation's behalf and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, Deeds of Trust, mortgages, pledges, hypothecations, and other evidence of debt and securities.
- (d) Adopt and use a corporate seal, and alter the form of the seal.

Section 3. NUMBER, QUALIFICATION AND TERMS OF DIRECTORS. The authorized number of Directors shall not be less than five (5) or more than fifteen (15) persons as determined by the Board. One membership allows for one vote and one person of that membership is eligible to serve on the board.

The Board of Directors shall consist of the following persons:

- (i) Eleven (11) persons elected by the membership who meet the following qualifications: desire to fulfill the goals and objectives of the Corporation; demonstrated abilities to fulfill essential board functions, must be in good member standing. Terms of elected Directors shall be for four (4) years, commencing on January 1.

Section 4. VACANCIES ON BOARD. A vacancy or vacancies on the Board shall exist on the occurrence of the following: (a) the death or resignation of a Director, (b) the declaration by resolution of the Board vacancy in the office of a Director who has been declared of unsound mind, by an order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law; (c) the increase of the authorized number of directors; or (d) by the vote of the members.

Subject to limitations set forth in this section, vacancies on the Board may be filled by a majority of the Directors then in office at a regular or special meeting called for that purpose, by the unanimous written consent of the Directors then in office, or by sole remaining Director. Any vacancy of the Board of Directors may be filled by a member in good standing and shall serve the remainder of the term of the vacant board seat. If appointed mid-term to increase the authorized number of directors, that director will only serve until the next general election.

No Director may resign if the Corporation would then be left without a duly elected Director of Directors. No reduction of the authorized number of Directors shall have effect of removing the Director before that Director's term of office expires.

Upon each new Chief Financial Officer term, all books shall be audited by the Audit Committee.

Section 5. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE. Meetings of the Board shall be held at any place within California that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the principal office of the Corporation.

Any meeting may be held by conference telephone or similar communication equipment, as long as all Directors participating in the meeting can hear one another. All such Directors shall be deemed to be present in person at such a meeting.

Section 6. ANNUAL AND REGULAR MEETINGS. The annual meeting of the Board shall be held each year immediately following the annual membership meeting. Notice of this meeting is required. The Directors shall be elected by the members at the annual membership meeting. Other regular meetings of the Board may be held without notice at such time and place as the Board may fix from time to time, but no less than quarterly.

Section 7. SPECIAL MEETINGS. Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, Vice Chairman, Secretary, or Chief Financial Officer.

Notice of the time and place of special meetings shall be given to each Director by: (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system, either directly to the Director, to person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director; (d) facsimile or email. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Corporation.

Notices sent by first-class mail shall be deposited in the United States mail at least four days before time set for meeting. Notices give by personal delivery, telephone, facsimile, or telegraph shall be delivered, telephoned, sent or give to the telegraph company, respectively, at least forty-eight (48) hours before time set for the meeting.

The notice sent shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation. It need not specify the purpose of the meeting.

Section 8. QUORUM. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a Director has had a direct or indirect material financial interest (b) approval of certain transactions between corporations having a common directorship (c) creation of and appoints to committees of the Board, and (d) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action is taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 9. WAIVER OF NOTICE. Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents

and approvals shall be filed with the corporate records and made a part of the minutes of the meetings. Notice of a meeting need not be give to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, lack of notice to that Director.

Section 10. ACTION WITHOUT A MEETING. Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to the action; provided, however, that the consent of any Director who has a material financial interest in a transaction to which the Corporation is a party and who is an “interested Director” as defined in Section 5233 of the California Corporation Code shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

Section 11. REIMBURSEMENT. Directors may receive such reimbursements of expenses as the Board may determine by resolution to be just and reasonable as to the Corporation at the time that the resolution is adopted.

ARTICLE VI COMMITTEES

Section 1. BOARD COMMITTEES. The Board, by resolution adopted by a majority of the Directors then in office, providing a quorum is present, may create one or more committees (“Board Committees”), each consisting of one or more Directors to serve at the pleasure of the Board. Appointments to Board Committees shall be by majority of the Directors then in office. The Board may appoint one or more Directors as alternate members of any such Board Committee, who may replace any absent member at any meeting. Any such Board Committee, to the extent proved in, the Board resolution, shall report its findings and recommendations to the Board for its action. Board Committees shall have all authority of the Board with respect to matters within their area of assigned responsibility, except that no Board Committee, regardless of Board Resolution, may:

- (a) Take any final action on any matter which, under the California Nonprofit Public Benefit Corporation Law, also requires approval by the members.
- (b) Fill vacancies on the Board of Directors or on any committee which has been delegated any authority of the Board.
- (c) Amend or repeal Bylaws or adopt new Bylaws.
- (d) Amend or repeal any resolution of the Board of Directors which by its express terms is not so amenable or repealable.
- (e) Appoint any other Board Committees or the members of those Board Committees.
- (f) Approve and transact (i) to which the Corporation is a party and one or more Directors have a material financial interest; or (ii) between the Corporation and any other person in which one or more of its Directors have a material financial interest.

Section 2. MEETINGS AND ACTIONS OF COMMITTEES.

Meeting 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 of the Directors, with such changes in the context of those Bylaws as are necessary to substitute the Board Committee and its members for the Board of Directors and its members, except that the time for regular meeting of committees may be determined either by resolution of the Board of Directors or by resolution of the committee.

Special meetings of Board Committees may also be called by resolution of the Board of Directors. Notice of special meetings of Board Committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any Board Committee and shall be filed with the Corporate records. The Board of Directors may adopt rules not inconsistent with the provisions of these Bylaws for the government of any Board Committee.

Section 3. OTHER COMMITTEES. Other committees, known as advisory Committees, may be established by the Board of Directors.

Advisory Committees are advisory only to the Board and shall not exercise any powers of the Board of Directors.

- a. Standing Committees. The President shall appoint, with the consent of the Board of Directors by resolution adopted by a majority of the Directors then in office, such standing Advisory Committees as the Board of Directors deems desirable and necessary to address issues on which the Board needs ongoing or regular advice.
- b. Special Committees. The President shall appoint, with the consent of the Board of Directors by resolution adopted by a majority of the Directors then in office, such special Advisory Committees as are deemed necessary to carry on the work of the Corporation, including special projects.
- c. Committee Membership. Each Advisory Committee shall consist of two or more members as determined by the Board of Directors and shall serve at the pleasure of the Board. Each committee shall report to the Board of Directors and its recommendation shall be subject to approval by the Board of Directors.

ARTICLE VII OFFICERS

Section 1. OFFICERS. The officers of the Corporation shall be a chairman of the Board, a vice chairman of the Board, a secretary and a chief financial officer. The Corporation may also have, at the Board's discretion, one or more assistant secretaries, one or more assistant chief financial officers, and such other officers as the Board may appoint.

Section 2. ELECTION OF OFFICERS. The officers of the Corporation shall be chosen annually by the Board at the first board meeting of the calendar year.

Section 3. VACANCIES OF OFFICE. A vacancy in any office shall be filled in the manner prescribed in these Bylaws for regular

appointments to that office, provided, however, that vacancies need not be filled on an annual basis. Any member in good standing may fill an office pending approval by the Board.

Section 4. CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at meetings of the board and shall exercise and perform such other duties as the Board may assign from time to time. The chairman of the board shall supervise, direct, and oversee the Corporation's activities, affairs, and officers as he deems necessary to the operation of the Corporation.

Section 5. VICE CHAIRMAN. If the Chairman of the Board is absent or disabled, the vice chairman shall perform all duties of the chairman. When so acting, the vice chairman shall have all powers of and be subject to all restrictions on the chairman. The vice chairman shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 6. SECRETARY. The secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, or committees of the Board. The secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles of Incorporation and Bylaws, as amended to date. The secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given. The secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 7. CHIEF FINANCIAL OFFICER. The chief financial officer shall keep and maintain, or cause to be maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The chief financial officer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times.

The chief financial officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the

Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the chairman, and the board, when requested, an account of all transactions as treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

ARTICLE VIII INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS AND INSURANCE

Section 1. RIGHT OF INDEMNITY. To the fullest extent permitted by law, this Corporation shall indemnify its Directors, officers and employees, and other persons described in Section 5238(a) of the California Corporation Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other accounts actually and reasonably incurred by them in connection with any "proceeding" as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses", as used in this Bylaw, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

On written request to the board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c), the Board shall promptly decide under Corporations Code Section 5238(3) whether the applicable standard of conduct set forth in Corporations Code Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification, because of the number of Directors, who are parties to the proceeding with respect to which indemnification is sought, prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting of the Members. At that meeting, the Member shall determine under Corporations Code Section 5238(e) whether the applicable standard of conduct has been met and, if so, the Member shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expense incurred by a person seeking indemnification under Article VIII of these Bylaws in defending a proceeding covered by this article shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Corporation for those expenses.

Section 2. INSURANCE. This Corporation shall have the right to purchase and maintain insurance to the fullest extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee or agent in such capacity or arising from the officer's director's, employee's, or agent's status as such.

ARTICLE IX RECORDS AND REPORTS

Section 1. MAINTENANCE OF CORPORATION RECORDS. The Corporation shall keep: (1) adequate and correct books and records of accounts; and (2) written minutes of the proceedings of the Board committees.

Section 2. INSPECTION BY MEMBERS. On written demand on the Corporation, the members may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceeding of the members, the Board of Directors, and Board Committees at any reasonable time for s purpose reasonably related to the member's interests as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. This right of inspection extends to the records of any subsidiary of the Corporation.

This Corporation shall keep, at its principal California office, the original or a copy of the Articles of Incorporation and Bylaws, as amended to the current date, which shall be open to inspection by the members at all reasonable times during office hours. If the Corporation has no business office in California, the secretary shall, on written request of the Member,

furnish to the Member a copy of the Articles of Incorporation and Bylaws, as amended to the current date.

Section 3. INSPECTION BY DIRECTORS. Every Director shall have the absolute right at any time to inspect the Corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 4. ANNUAL STATEMENT OF CERTAIN TRANSACTION AND INDEMNIFICATION. The Corporation shall annually prepare and furnish to the members and each Director an annual report within 60 days after the end of the Corporation's fiscal year. A copy of the annual report shall be provided to the 16th District Agricultural Association Board of Directors. That 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; the principal changes in assets and liabilities, including trust funds; the Corporation's revenue or receipts, both unrestricted and restricted to particular purposes; the Corporation's expenses or disbursements for both general and restricted purposes; and independent accountants' report or, if none, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.
- (b) A statement of any transactions (i) in which the Corporation, its parent, or its subsidiary was party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of a number of transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is any director or officer of the Corporation, its parent, or subsidiary (but mere common directorship shall not be considered such as interest).

This statement shall include a brief description of the transaction, the names of the interested people involved, their relationship to the Corporation, the nature of their interest in the transaction, and if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

- (c) A statement of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or Director of the Corporation under Article VIII of these Bylaws, unless the indemnification has already been approved by the Member.

ARTICLE X AMENDMENT AND REPEAL

New Bylaws may be adopted, or these Bylaws may be amended or repealed, by approval of the Board and ratified by the membership. Any provisions of these Bylaws providing for the designation or selection, rather than election, of any Director or Directors may be adopted, amended, or repealed only by approval of the Members, subject to the consent of the person or persons entitled to designate or select any such Directors.

ARTICLE XI CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Benefit Corporation Law shall govern the construction of these Bylaws.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of the California Mid-State Fair Heritage Foundation, Inc., a California Corporation, that the foregoing Bylaws, consisting of 15 pages, are the Bylaws of this Corporation as adopted by the Board of Directors and ratified by Membership, November 13, 2002, and they have not been amended or modified since that date.

Executed On November 13, 2002, at Paso Robles, California.

Signed on original paper copy
Nick Ustin, Secretary

Updated by membership vote on October 1, 2012.

Signed on original paper copy
Debbie Dusi, Secretary