

## **AMENDED BYLAWS**

### **OF**

## **PLACER - NEVADA - SOUTH SUTTER - NORTH SACRAMENTO SUBWATERSHED GROUP**

PLACER - NEVADA - SOUTH SUTTER - NORTH SACRAMENTO SUBWATERSHED GROUP (hereinafter "Corporation") adopted these "BYLAWS OF PLACER - NEVADA - SOUTH SUTTER - NORTH SACRAMENTO SUBWATERSHED GROUP" (hereinafter "Bylaws") by action of the Incorporator for the Board of Directors of the Corporation on the date noted on the Certificate of Secretary attached to these Bylaws.

The Corporation is subject to the Nonprofit Public Benefit Corporation Law of the State of California (Sections 5110 et seq. of the Corporations Code of the State of California) (the "Nonprofit Public Benefit Corporation Law"),

The Corporation is organized and operated exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future internal revenue law of the United States of America).

The property of the Corporation is irrevocably dedicated to charitable purposes. No part of the net income or assets of the Corporation shall ever inure to the benefit of any director, officer or member of the Corporation or to the benefit of any private person.

Upon the dissolution or winding up of the Corporation, the assets of the Corporation remaining after payment, or provision for payment, of all of the debts and the liabilities of the Corporation shall be distributed to a nonprofit fund, foundation or corporation which (a) is organized and operated exclusively for charitable, scientific or educational purposes and (b) has established tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future internal revenue law of the United States of America).

## ARTICLE I

### NAME

**Section 1. Name.** The name of the Corporation shall be "PLACER - NEVADA - SOUTH SUTTER - NORTH SACRAMENTO SUBWATERSHED GROUP".

## ARTICLE II

### OFFICES

**Section 1. Principal Executive Office.** The principal office for the transaction of the business of the Corporation (the "Principal Executive Office") is located at 6115 W. Wise Road, Lincoln, CA 95648. The Board of Directors may change the Principal Executive Office from one location to another. Any change in the location of the Principal Executive Office shall be by action of the Board of Directors and either noted by the Secretary on these Bylaws opposite this Section or by means of an amendment to this Section that states the new location of the Principal Executive Office.

**Section 2. Other Offices.** The Board of Directors may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to do business.

## ARTICLE III

### OBJECTIVES, PURPOSES AND POWERS

**Section 1. Objectives.** The objectives of the Corporation shall be:

(a) Nonprofit Public Benefit Corporation. The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person; The Corporation was organized and exists for charitable, scientific, and educational purposes under the Nonprofit Public Benefit Corporation Law;

(b) Specific Purposes. The specific purposes of the Corporation are:

(1) Support research on farming practices;

(2) Monitoring of local waterways;

(3) To protect the stewardship of the environment with respect to the use of various agricultural inputs by proactively communicating environmental issues and disseminating information leading to solutions;

(4) To raise funds via contributions from centers for higher learning, business and professional groups, corporations, foundations, and individuals in order to further the purposes of this Corporation;

(5) To pursue charitable endeavors that develop, support, and promote activities and programs that improve water quality throughout the Placer, Nevada South Sutter and North Sacramento of the State of California for all beneficial uses; and,

(6) To undertake such other projects, programs, and activities that fall within the foregoing specific purposes of this Corporation that are not inconsistent with Section 501(c)(3) of the Internal Revenue Code of 1986 as amended (or the corresponding provision of any future internal revenue law of the United States of America).

(c) Section 501(c)(3) Charitable Organization. The Corporation has been organized and shall be operated exclusively for charitable, scientific, educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future internal revenue law of the United States of America);

(d) Prohibited Activities. Notwithstanding any other provision of this Article, the Corporation shall not carry on any activity not permitted to be carried on by:

- (i) A corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 19896, as amended (or the corresponding provision of any future internal revenue law of the United States of America), or
- (ii) A corporation contributions to which are deductible from gross income pursuant to Section 170(c)(2) of the Internal Revenue Code of 19896, as amended (or the corresponding provision of any future internal revenue law of the United States of America);
- (iii) Or except as provided in Section 501(h) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future internal revenue law of the United States of America) following the filing by the Corporation with the Internal Revenue Service of an election under Section 501(h)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future internal revenue law of the United States of America) to have applied to the Corporation the provisions of Section 501(h) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future internal revenue law of the United States of America), no substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation; and
- (iv) The Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

- (v) The Corporation shall have no authority or power to declare dividends of any kind, whatsoever.

**Section 2. Powers.** As a means of accomplishing the foregoing purposes, the Corporation shall have the following powers:

- (a) Property. To solicit and accept, acquire by gift, donation, devise, grant, purchase, loan or otherwise, any property without limitation;
- (b) Contributions. To make contributions, loans or grants that are consistent with the purposes of the Corporation;
- (c) Contracts and Liabilities. To make agreements and contracts and incur liabilities;
- (d) Broad Enablement. To have any and all powers to do all things necessary or desirable to carry on and accomplish the purposes for which the Corporation is organized as the directors of the Corporation may from time to time deem appropriate and that are not inconsistent with powers conferred upon a non-stock corporation by the general laws of the State of California and the requirements of the Code; and
- (e) Restrictions and Absence Of Power. The Corporation is not organized for pecuniary profit; No part of the net earnings of the Corporation shall inure to the benefit of or be distributed to an director, officer or individual, except that the Corporation shall be authorized and empowered to make payments in furtherance of the purposes set forth in this Article.

**Section 3. Further Rights and Powers.** The Corporation shall have and exercise all rights and powers conferred on a nonprofit corporation under the laws of the State of California, provided, however, that the Corporation is not empowered to engage in any activity that in itself is not in furtherance of its purposes as set forth in these Articles.

## ARTICLE IV

### MEMBERS

**Section 1. No Members.** The Corporation shall have no members. Any action that would otherwise require "approval by or approval of the members" under the Nonprofit Corporation Law of the State of California (Sections 5002, et seq. of the Corporations Code of the State of California) ("Nonprofit Corporation Law") shall require only approval of the Board of Directors. All rights that would otherwise vest in "members" under the Nonprofit Corporation Law shall vest in the directors.

**Section 2. Nonvoting Members.** The Corporation may have a class or classes of nonvoting membership as the Board of Directors shall from time to time determine. Upon establishing a new class of nonvoting membership, the Board of Directors shall at the same time establish the qualifications governing the class, including, without limitation; the class designation, eligibility

how admitted, and application fee (if any). No such nonvoting member shall be a "member" within the context and meaning of Section 5056 of the Nonprofit Corporation Law.

## ARTICLE V

### BOARD OF DIRECTORS

#### Section 1. Powers.

(a) General Corporate Powers. Subject to the provisions of the Nonprofit Public Benefit Corporation Law and any limitations in the Articles of Incorporation and these Bylaws, the activities and affairs of the Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors may delegate the management of the activities of the Corporation to any person or persons, a management company, or committee however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is expressly declared that the Board of Directors, in addition to the other powers enumerated in these Bylaws, shall have the powers enumerated in Subsection b of this Section.

(b) Specific Powers. Without prejudice to these general powers, and subject to the same limitations, the Board of Directors shall have the power to:

(b.1.) Select and remove all officers, employees, and agents of the Corporation; Prescribe any powers and duties for the officers, employees, and agents of the Corporation that are consistent with law, the Articles of Incorporation, and these Bylaws; Fix the compensation of the officers, employees, and agents of the Corporation;

(b.2.) Change the Principal Executive Office or the principal business office in the State of California from one location to another; cause the Corporation to be qualified to do business in any other state, territory, dependency or country; and conduct business or hold any meeting or meetings of the Board of Directors, including the Annual Meeting of the Board of Directors, within or outside the State of California;

(b.3.) Adopt, make, and use a corporate seal and alter the form of the seal;

(b.4.) Borrow money and incur indebtedness on behalf of the Corporation, and cause to be executed and delivered for the purposes of the Corporation, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation and other evidences of debt and securities; All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from

time to time be determined by resolution of the Board of Directors; In the absence of such determination by the Board of Directors, such instruments shall be signed by the Chief Financial Officer or an Assistant Treasurer and countersigned by the Chief Executive Officer/President or a Vice President;

(b.5.) Accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation;

(b.6.) Contract for goods and/or services for the Corporation (subject to the limitations elsewhere provided in these Bylaws); and to maintain and otherwise manage or cause to be managed, all other property acquired by the Corporation; and to contract and pay for maintenance, utilities, materials, and supplies and services relating to facilities; and to employ personnel reasonably necessary for the operation of the Corporation, including, without limitation, and where appropriate attorneys-at-law and accountants;

(b.7.) 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 a specific instance;

(b.8.) Adopt and publish rules and regulations governing the use of facilities of the Corporation, and the personal conduct of the directors and their guests and delegates thereon, and to establish penalties for the infraction thereof;

(b.9.) Conduct, manage, and control the affairs and business of the Corporation;

(b.10.) Contract and pay for the expenses of the Corporation;

(b.11.) Prescribe such rules relating to the affairs and conduct of the Corporation as in the judgment of the Board of Directors, from time to time, may be found necessary or proper;

(b.12.) Pay taxes and special assessments that are or would become a lien on property of the Corporation;

(b.13.) Exercise all other powers granted to the Board of Directors by the laws of the State of California or the Articles of Incorporation or these Bylaws;

(b.14.) From time to time, amend, revise, restate or repeal these Bylaws; and

(b.15.) Remove a director from the Board of Directors for cause, (the absence of a director from four (4) consecutive meetings of the Board of Directors shall constitute cause for removal).

**Section 2. Number and Qualifications of Directors, and Non-Voting Advisors to the Board of Directors.** The authorized number of directors shall be seven (7) until changed by the Board of Directors.

(A) The qualifications for director are:

- (1) Must be a natural person; and,
- (2) Must demonstrate a commitment to the mission of the Corporation.
- (3) Must be a farmer or rancher, or a representative thereof, (but not necessarily legally reside or own property) within the geographic area(s) of the Subwatershed as found in Placer, Nevada, South Sutter, or North Sacramento Counties. A farmer or rancher is defined as a person who operates and/or earns their living, or a portion thereof, by farming or ranching the land.
- (4) Must be a member in good standing of the PLACER - NEVADA - SOUTH SUTTER - NORTH SACRAMENTO SUBWATERSHED GROUP.

(B) The Directors are limited to each category as follows:

- (1) At least one (1) director from within the geographic boundaries of Placer County.
- (2) At least one (1) director from within the geographic boundaries of Nevada County.
- (3) At least one (1) director from within the geographic boundaries of South Sutter County.
- (4) At least one (1) director from within the geographic boundaries of North Sacramento County.

(C) In addition to Directors of the Corporation, the Board of Directors may appoint up to five natural persons to serve as non-voting advisors to the Board of Directors for such term as determined by the Board of Directors and to perform those services assigned from time-to-time by the Board of Directors.

**Section 3. Restriction on Interested Persons as Directors.** No more than forty-nine percent (49%) of the directors may be an interested person. An interested person is:

- (a) any person compensated by the Corporation for administrative services rendered to the Corporation within the previous twelve (12) months whether as a full-time or part-time employee, independent contractor or otherwise but excluding any reasonable compensation paid to a director as such or for professional services rendered on behalf of the Corporation in pursuing its purposes as outlined in Article III of these Bylaws; and

- (b) any father, mother, son, daughter, brother, sister, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person. However, no violation of the provisions of this Section shall affect the validity or enforceability of any transaction otherwise validly entered into by the Corporation.

**Section 4. Nominations for Directors.** Prior to the election, the Chief Executive Officer/President shall appoint from the Board of Directors a chairperson and a committee of two (2) who shall nominate persons to be directors. Nothing in these Bylaws shall preclude the nomination by petition by any director of the Corporation of other natural persons as write-in candidates for director.

**Section 5. Nominations from the Floor.** At any meeting of the Board of Directors held to elect directors, any director present at the meeting may place the name of one or more natural persons in nomination for director.

**Section 6. Election and Term of Office of Directors.** Directors may be elected at any meeting of the Board of Directors. Each director, including a director elected to fill a vacancy or elected at a special meeting of the Board of Directors, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified.

- a. The term of each director shall be three (3) years, or the remainder of any term then existing, as defined henceforth.

- (a.1.) The term of three (3) directors shall expire December 31, 2008, and every three (3) years thereafter. Those directors then expiring shall be defined as the one (1) director from within the geographic boundaries of Placer County, as the one (1) director from within the geographic boundaries of Nevada County and one (1) director at large within the geographic boundaries of Placer, Nevada, South Sutter, or North Sacramento Counties.

- (a.2.) The term of two (2) directors shall expire December 31, 2009, and every three (3) years thereafter. Those directors then expiring shall be defined as the one (1) director from within the geographic boundaries of South Sutter County, and one (1) director at large within the geographic boundaries of Placer, Nevada, South Sutter, or North Sacramento Counties.

- (a.3.) The term of two (2) directors shall expire December 31, 2010, and every three (3) years thereafter. Those directors then expiring shall be defined as the one (1) director from within the geographic boundaries of North Sacramento County, and one (1) director at large within the geographic boundaries of Placer, Nevada, South Sutter, or North Sacramento Counties.

**Section 7. Publicizing the Results.** The results of the election of persons to the Board of Directors may be released to the local news media.



**Section 12. Vacancies.**

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

(a.1.) The death, resignation, or removal of any director;

(a.2.) The declaration by resolution of the Board of Directors of a vacancy of the office of a director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty to the Corporation under Sections 5230 et seq. of the Nonprofit Public Benefit Corporation Law;

(a.3.) The vote of the Board of Directors at a special meeting of the Board of Directors to remove a director;

(a.4.) An increase in the exact or authorized number of directors; or

(a.5.) The failure of the Board of Directors, at any meeting of Board of Directors at which any director or directors are to be elected, to elect the number of directors to be elected at such meeting.

b. Resignations. Except as provided in this Subsection, any director may resign, which resignation shall be effective on giving written notice to the Chief Executive Officer / President, the Secretary or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, then the Board of Directors may elect a successor to take office when the resignation becomes effective. No director may resign when the Corporation would then be left without a duly elected director or directors in charge of its affairs.

c. Removal. The Board of Directors shall have the power to remove any director for cause (without good and sufficient reason, the absence of a director from not attending a minimum of four (4) meetings per calendar year of the Board of Directors shall constitute cause for removal). The Board of Directors shall have the power to remove a director without cause if such removal is approved by a majority of the directors then in office.

d. Vacancies Filled by Directors. The Board of Directors may elect a director or directors at any time to fill any vacancy or vacancies on the Board of Directors.

e. No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before the term of office for that director expires.

**Section 13. Place Of Meetings of the Board of Directors and Meetings of the Board of Directors by Telephone.** Regular meetings of the Board of Directors may be held at any place

within or outside the State of California that has been designated from time to time by resolution of the Board of Directors. In the absence of such a designation, regular meetings shall be held at the Principal Executive Office. Special meetings of the Board of Directors shall be held at any place within or outside the State of California that has been designated in the notice of the meeting of the Board of Directors, or if not stated in the notice or there is no notice, at the Principal Executive Office.

Any meeting of the Board of Directors', regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting of the Board of Directors can hear one another. Participation in a meeting of the Board of Directors by means of conference telephone or similar communication equipment, as allowed by this Section, shall constitute presence in person at such meeting of the Board of Directors.

**Section 14. Annual Meeting.** The Annual Meeting of the Board of Directors shall be held on February 15<sup>th</sup> of each year, unless the Board of Directors fixes another date and so notifies the directors. If February 15<sup>th</sup> is a legal holiday or weekend, then the Annual Meeting of the Board of Directors shall be held on the next succeeding non-holiday business day. Unless otherwise noticed, the Annual Meeting of the Board of Directors shall be held at the hour of 9:00 a.m. The Notice of the Annual Meeting of the Board of Directors is not required.

**Section 15. Other Regular Meetings.** Other regular meetings of the Board of Directors shall be held without call on such date and at such time and place as shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

**Section 16. Special Meetings.**

a. Authority to Call. Special meetings of the Board of Directors for any purpose may be called at any time by the Chief Executive Officer/President, any Vice President or any Director upon written notice or other adequate notice.

b. Notice.

1. *Manner of Giving.* Notice of the date, time, and place of a special meeting of the Board of Directors shall be given to each director by one of the following methods:

(1.a.) By personal delivery of written notice; or

(1.b.) By first class mail, postage prepaid; or

(1.c.) By telephone communication either directly to the director or to a person at the home or office of the director who would reasonably be expected to communicate such notice promptly to the director; or

(1.d.) By telegram, charges prepaid.

All such notices shall be given or sent to the address or made at the telephone number of the director as shown on the records of the Corporation.

2. *Time Requirements.* Notices sent by first class mail shall be deposited into a United States Postal Service mailbox at least four (4) days before the date and time set for the meeting. Notices given by personal delivery, telephone or telegraph shall be delivered, telephoned or given to the telegraph company at least forty-eight (48) hours before the date and time set for the meeting.

3. *Notice Contents.* The notice shall state the date and time of the special meeting of the Board of Directors and the place for the special meeting of the Board of Directors. If the place is other than the Principal Executive Office; however, the notice need not specify the purpose of the special meeting of the Board of Directors.

**Section 17. Voting Rights.** Each director shall be entitled to cast one (1) vote on all matters submitted to a vote of the Board of Directors.

**Section 18. Parliamentary Authority.** The rules contained in the most recent edition of Robert's Rules of Order shall govern the Corporation in all cases to which they are applicable and in which they are not inconsistent with the Nonprofit Public Benefit Corporation Law or these Bylaws or any special rules of order the Corporation may adopt.

**Section 19. Quorum.** Except to adjourn as provided under Section 21 of this Article, a majority of the authorized number of directors shall constitute a quorum for the transaction of business by the Board of Directors. Subject to Sections 5212 (creation of and appointments to committees of the board of directors), 5233 (conflicts of interest; disclosure; common directorships; just and reasonable contracts), 5234 (quorum; counting interested or common directors), 5235 (compensation; liability for unreasonable amount) and Subdivision (e) of Section 5238 (with respect to indemnification of a director as an "agent" (as defined in Subdivision (a) of such Section), requiring a majority of directors who are not a party to the "proceeding" (as defined in Subdivision (a) of such Section)) and Section 5230 et seq. (standards of conduct) of the Nonprofit Public Benefit Corporation Law, 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 shall be regarded as the act of the Board of Directors. A meeting of the Board of Directors at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of one or more directors if any action taken is approved by at least a majority of the required quorum for that meeting.

**Section 20. Waiver of Notice.** The transaction of any meeting of the Board of Directors, however called and noticed or wherever held shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and b) either before or after the meeting, each of the directors not present signs a written waiver of notice, and/or a consent to the holding of the meeting or an approval of the minutes of such meeting. The written waiver of notice or consent need not specify the purpose of the meeting of the Board of Directors. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting in the Minute Book of the Corporation. Notice of a meeting shall also be

deemed given to any director who attends the meeting without protesting (before or at its commencement about the lack of adequate notice.

**Section 21. Adjournment.** A majority of the directors, whether or not constituting a quorum, may from time to time adjourn the meeting of the Board to another date, time, and place until a quorum shall have been obtained.

**Section 22. Notice of Adjournment.** Notice of the date, time and place of holding an adjourned meeting of the Board of Directors need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the date, time, and place of holding an adjourned meeting to the directors who were not present at the time of the adjournment.

**Section 23. Action Without a Meeting.** Any action required, or permitted to be taken by the Board of Directors may be taken without a meeting if all of the directors, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. All written consents shall be filed with the minutes of the proceedings of the Board of Directors, in the Minute Book of the Corporation.

**Section 24. Fees and Compensation of Directors.** Directors and members of committees of the Board of Directors may receive compensation, if any, for their services and such reimbursement of expenses as may be determined by resolution of the Board of Directors to be just and reasonable to the Corporation at the time that the resolution is adopted.

However, any such compensation approved for directors, employees and members of committees of the Board of Directors, and shall be no more than a pre-approved amount to cover necessary fees, and travel expenses for approved and official business of the Corporation.

## ARTICLE VI

### COMMITTEES

**Section 1. Committees of the Board of Directors.** The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, designate one or more committees, each consisting of one or more directors, to serve at the pleasure of the Board of Directors. Except as provided in these Bylaws, chairpersons of committees shall be by appointment by the Chief Executive Officer/President. To the extent provided in the resolution of the Board of Directors, each committee shall have all the authority of the Board of Directors, except that no committee, regardless of resolution by the Board of Directors, may:

- (a) Take any final action on matters that under the Nonprofit Public Benefit Corporation law, also requires the approval of the Board of Directors;
- (b) Fill vacancies on the Board of Directors or in any committee;

- (c) Fix compensation of the directors for serving on the Board of Directors or on any committee;
- (d) Amend, revise, restate or repeal these Bylaws or adopt new Bylaws;
- (e) Amend, revise, restate or repeal any resolution of the Board of Directors that by the express terms thereof is not so amendable or repeatable;
- (f) Create committees of the Board of Directors or appoint the members of committees of the Board of Directors;
- (g) Expend corporate funds to support a nominee for director after there are more people nominated for director than can be elected; and,
- (h) Approve any contract or transaction to which the Corporation is a party and (i) one or more of the directors has/have a material financial interest or (ii) any entity in which one or more of the directors has a material financial interest, except as such special approval is provided for in Section 5233(d)(3) of the Nonprofit Public Benefit Corporation Law.

**Section 2. Meetings and Action of Committees.** Meetings and action of 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 of Directors, with such changes in the context of these Bylaws as are necessary to substitute the committee and its members for the Board of Directors and the directors, except the time for regular meetings of committees may be determined either by resolution of the Board of Directors or, if none has been set, by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of each committee shall also be given to any and all alternate members thereof, who shall always have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records in the Minute Book of the Corporation, The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

Each committee chairperson shall at the end of her/his term make recommendations to the incoming chairperson regarding the workings of the committee and its assigned tasks.

**Section 3. Standing Committee.** The sole standing committee of the Board of Directors shall be an Executive Committee. The Chief Executive Officer/President and the Chief Financial Officer, if not directors of the Corporation, shall be ex officio members of the Executive Committee.

## ARTICLE VII

### OFFICERS

**Section 1. Officers.** The officers of the Corporation shall be a Chief Executive Officer/President, Vice-President, Secretary, and a Chief Financial Officer. The Corporation may also have, at the discretion of the Board of Directors, a Chairperson of the Board, one or more Assistant Secretaries, one or more Assistant Treasurers and such other officers as may be appointed in accordance with the provisions of Section 4 of this Article. Any number of offices may be held by the same person, except that the Secretary or the Chief Financial Officer may NOT serve concurrently as the Chief Executive Officer/President.

**Section 2. Appointment of Officers.** The officers of the Corporation, except those appointed in accordance with the provisions of Section 4 of this Article, shall be chosen by the Board of Directors, and each shall serve at the pleasure of the Board of Directors, subject to the rights, if any, of an officer under any contract of employment.

**Section 3. Term of Office.** The principal officers shall be chosen annually by the Board of Directors at the Annual Meeting of the Board of Directors or as soon thereafter as conveniently possible.

**Section 4. Subordinate Officers.** The Board of Directors may appoint, or may authorize the Chief Executive Officer/President or another officer to appoint, any other officer that the business of the Corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in these Bylaws or as determined from time to time by the Board of Directors.

**Section 5. Removal of Officers.** 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 of Directors at any regular or special meeting of the Board of Directors, or, except in case of an officer chosen by the Board of Directors, by an officer on whom such power of removal has been conferred by the Board of Directors.

**Section 6. Resignation of Officers.** An officer may resign at any time by giving a written notice of resignation to the Corporation. Resignation by an officer shall take effect on the date of the receipt of the notice of resignation or at any later time specified in the notice of resignation; and, unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the resigning officer is a party.

**Section 7. Vacancies in Offices.** A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled only in the manner prescribed in these Bylaws for regular appointments to that office, provided, however, that any vacancy need not be filled on an annual basis.

## **Section 8. Responsibilities of Officers.**

a. If a Chairperson of the Board is elected, the Chairperson of the Board of Directors shall preside at meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to the Chairperson of the Board by the Board of Directors or as prescribed by these Bylaws. If there is no Chief Executive Officer/President, then the Chairperson of the Board shall, in addition, be the Chief Executive Officer of the Corporation and shall have the powers and duties of the office of Chief Executive Officer/President as is prescribed in Subsection B of this Section.

b. Chief Executive Officer/ President. Subject to such supervisory powers as may be given by the Board of Directors to the Chairperson of the Board, if any, and subject to the control of the Board of Directors, the Chief Executive Officer/President shall be the general manager and chief executive officer of the Corporation and as such the Chief Executive Officer/President shall generally supervise, direct, and control the business, affairs, and activities and the officers of the Corporation. The Chief Executive Officer/President, in the absence of Chairperson of the Board or if there be none, shall preside at all meetings of the Board of Directors. Each year the Chief Executive Officer/President will prepare or cause to be prepared a three-year to five-year long-range plan for the Corporation. The Chief Executive Officer/President shall present the long-range; plan to the Board of Directors for approval. The Chief Executive Officer/President shall have such other powers and duties, as may be prescribed, by the Board of Directors or these Bylaws. If there is no Chairperson of the Board, then the Chief Executive Officer/President shall have the powers and duties of the Chairperson of the Board prescribed in Subsection A of this Section.

c. Vice Presidents. In the absence or disability of the Chief Executive Officer/President, the Vice Presidents, if any, in order of their rank as fixed by the Board of Directors or, if not ranked, a Vice President designated by the Board of Directors shall perform all of the duties of the Chief Executive Officer/President. When so acting, a vice president shall have all powers of and be subject to all of the restrictions on the Chief Executive Officer/President. The Vice Presidents shall have such other powers and perform such other duties as the Board of Directors or these Bylaws may prescribe.

d. Secretary. The Secretary (or, if absent, the Assistant Secretary, if any) shall attend to the following:

(d.1.) *The Minute Book*. The Secretary shall keep or cause to be kept at the Principal Executive Office or such other place as the Board of Directors may direct, a book of minutes of all meetings, proceedings, and actions of the Board of Directors and committees of the Board of Directors, waivers, and consents. As to minutes of meetings of the Board of Directors and committees of the Board of Directors, the minutes shall note therein: the time, date, and place of holding of the meeting; whether the meeting was the annual or a regular or a special meeting of the Board of Directors, and, if special, how authorized; the notice given to the directors; the names of those directors and guests present at such meeting; the

number of directors present at the meeting any the presence or absence of a quorum, and the proceedings of and actions taken at the meeting. The records will be maintained by the Secretary in a manner that will permit access thereto by each of the directors.

(d.2.) *Records on the Directors.* The Secretary shall keep or cause to be kept at the Principal Executive Office, or at a place as determined by resolution of the Board of Directors, a record of the directors, showing the name, address, and telephone number of each director; and

(d.3.) *Seal and Other Duties.* The Secretary shall: Keep the seal of the Corporation in safe custody; receive, read, and handle all correspondence addressed to the Corporation and/or the Board of Directors; write all communications as directed by official action of the Board of Directors; send notices of meetings as directed by the Chief Executive Officer/President, the Board of Directors or these Bylaws; and, perform such other duties and have such other powers as may be prescribed by the Board of Directors or these Bylaws.

e. Chief Financial Officer. The Chief Financial Officer (or, if absent, an Assistant Treasurer, if any) shall attend to the following:

(e.1.) *Books of Account and Financial Statements; Reporting and Valuables.* The Chief Financial Officer shall keep and maintain or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including gains, losses, capital, retained earnings, and other matters customarily included in financial statements; The books of account shall be open to inspection by any Director at all reasonable times. The Chief Financial Officer shall prepare financial statements consistent with acceptable bookkeeping practices. The Chief Financial Officer shall report to the Chief Executive Officer/President and the Board of Directors; the Chief Financial Officer shall attend, ex officio, all meetings of the Board of Directors and the Executive Committee;

(e.2.) *Budgeting.* The Chief Financial Officer shall prepare an annual budget, consisting of a statement of projected receipts; and disbursements for the upcoming fiscal year; such budget shall be prepared and presented to the Board of Directors at the Annual Meeting of the Board of Directors;

(e.3.) *Deposit and Disbursement of Money and Valuables.* The Chief Financial Officer shall:

Deposit all money and other valuables in the name of and to the credit of the Corporation with such depositories as may be designated by the Board of Directors; disburse the funds of the Corporation as may be ordered by the Board of Directors; have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws. The Chief Financial Officer shall advise fund raising committees of the Corporation regarding record keeping



and deposit procedures. The Chief Financial Officer shall conform to the notice procedures under the Code with respect to advising each donor of goods or money to the Corporation the extent of the deductibility thereof;

(e.4.) *Bonds.* If required by the Board of Directors, the Chief Financial Officer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board of Directors for faithful performance of the duties of the office of Chief Financial Officer and for restoration to the Corporation on the death, resignation or retirement or removal of the Chief Financial Officer from office all of the books, papers, vouchers, money, and other property of every kind and nature belonging to the Corporation that is in the possession or under the control of the Chief Financial Officer; the cost of such bond shall be borne by the Corporation; and any and all signatories (director and/or employee) on any and all financial or monetary accounts of the corporation must give the Corporation a bond in the amount of the expected or budgeted projected income for the next fiscal year in the amount projected plus ten percent of the expected or budgeted income for the next fiscal year. The cost of such bond shall be borne by the Corporation;

(e.5.) *Financial Statement.* If the Board of Directors appoints a firm of Certified Public Accountants, then the Chief Financial Officer will be responsible to negotiate a contract with the firm of Certified Public Accountants chosen by the Board of Directors for the preparation of a fiscal year end financial statement and the preparation of tax returns and other required financial reports to government agencies; The contract must be approved by the Board of Directors; and, The fiscal year end financial statement upon completion will be submitted and presented to the Board of Directors by the firm of Certified Public Accountants that prepared the fiscal year end financial statement.

## ARTICLE VIII

### INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

#### Section 1. Agents, Proceedings, and Expenses, for the purposes of this Article:

(a) "Agent" means any person who is or was a director, officer, employee, or other agent of the Corporation; or is or was serving at the request of the Corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise; or, was a director, officer, employee, or agent of foreign or domestic corporation that was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation;

(b) "Proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative, or investigative;

(c) "Expenses" includes without limitation, attorneys' fees and any expense of establishing a right to indemnification under Section 4 or Section 5(b) of this Article.

**Section 2. Actions Brought by other than the Corporation.** The Corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any Proceeding (other than (a) an action by or in the right of the Corporation to procure a judgment in its favor, (b) an action brought under Section 5233 of the Nonprofit Public Benefit Corporation Law, or (c) an action brought by the Attorney General of the State of California or a person granted related status by the Attorney General of the State of California for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an Agent, against Expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such Proceeding if that person acted in good faith and in a manner that person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal Proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner in which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

**Section 3. Actions by the Corporation.** The Corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any Proceeding (a) by or in the right of the Corporation or (b) brought under Section 5233 of the Nonprofit Public Benefit Corporation Law or (c) brought by the Attorney General of the State of California or a person granted related status by the Attorney General of the State of California for breach of duty relating to assets held in charitable trust, to procure a judgment in the favor of the Corporation by reason of the fact that such person is or was an Agent, against Expenses actually and reasonably incurred by such person in connection with the defense or settlement of such Proceeding if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation and with such care including reasonable enquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

No indemnification shall be made under this Section:

(a) In respect of any claim, issue or matter as to which that person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such Proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses, and then only to the extent that the court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a Proceeding, with or without court approval; or

(c) Of expenses incurred in defense of a Proceeding that is settled or otherwise disposed of without court approval unless such action concerns assets held in charitable trust and is settled with the approval of the Attorney General of the State of California.

**Section 4. Successful Defense by an Agent.** To the extent that an Agent has been successful on the merits in defense of any Proceeding referred to in Sections 2 and 3 of this Article, or in defense of any claim, issue or matter therein, the Agent shall be indemnified against Expenses actually and reasonably incurred by the Agent in connection therewith. If an Agent either settles any such claim or sustains a judgment rendered against the Agent, then the provisions of this Article shall determine whether the Agent is entitled to indemnification.

**Section 5. Required Approval.** Except as provided in Section 4 of this Article, any indemnification under this Article shall be made by the Corporation only if authorized in the specific case upon a determination that indemnification of the Agent is proper in the circumstances because the Agent has met the applicable standard of conduct set forth in Sections 2 and 3 of this Article, by:

(a) A majority vote of a quorum consisting of directors who are not parties to the Proceeding; or

(b) The court in which such Proceeding is or was pending upon application made by the Corporation or the Agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the Agent, attorney, or other person is opposed by the Corporation.

**Section 6. Advance of Expenses.** Expenses incurred in defending any Proceeding may be advanced by the Corporation before the final disposition of the Proceeding on receipt of an undertaking by or on behalf of the Agent to repay the amount of the advance unless it shall be determined ultimately that the Agent is not entitled to be indemnified as authorized in this Article.

**Section 7. Article Controls.** No provision made by the Corporation to indemnify an Agent for the defense of any Proceeding, whether contained in the Articles of Incorporation, these Bylaws, a resolution of the Board of Director, an agreement or otherwise, shall, be valid unless consistent with this Article.

Nothing in this Section shall affect any right of indemnification to which persons other than directors and officers may be entitled by contract or otherwise.

**Section 8. Limitations.** No indemnification or advance shall be made under this Article, except as provided in Section 4 or Section 5(b) of this Article, in any circumstance where it appears:

(a) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws, a resolution of the Board of Directors, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the Proceeding in which the

Expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

**Section 9. Insurance.** Upon and in the event of a determination by the Board of Directors of the Corporation to purchase insurance, the Corporation shall have the power to purchase and maintain insurance on behalf of any Agent against any liability asserted against or incurred by the Agent in such capacity or arising out of the status of the Agent as such whether or not the Corporation would have the power to indemnify the Agent against that liability under the provisions of this Article; PROVIDED, however, that the Corporation shall have no power to purchase and maintain insurance to indemnify any Agent for a violation of Section 5233 of the Nonprofit Public Benefit Corporation Law.

**Section 10. Fiduciaries of Corporate Employee Benefit Plan.** This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in the capacity of such person as such, even though such person may also be an Agent. Nothing contained in this Article shall limit any right to indemnification to which a trustee, investment manager, or other fiduciary of an employee benefit plan may be entitled to by contract or otherwise pursuant to Subdivision (f) of Section 207 of the General Corporation Law of the State of California (Sections 100 et seq. of the Corporations Code of the State of California) (the "General Corporation Law"), which shall be enforceable to the extent permitted by applicable law other than this Article.

## ARTICLE IX

### RECORDS AND REPORTS

**Section 1. Maintenance of Corporate Records.** The Corporation shall keep and maintain:

- (a) Adequate and correct financial books and records;
- (b) Written minutes of the proceedings of the Board of Directors and committees of the Board of Directors; and
- (c) A record of the name, address, and telephone number of each director.

**Section 2. Maintenance of the Articles of Incorporation and These Bylaws.** The Corporation shall keep at the Principal Executive Office, or if the Principal Executive Office is not in the State of California, at its principal business office in the State of California, the original or a copy of the Articles of Incorporation and any amendments thereto or restatements thereof and these Bylaws as amended to date.

**Section 3. Maintenance of Other Corporate Records.** The accounting books, records, and minutes of proceedings and actions of the Board of Directors shall be kept at such place or places

designated by the Board of Directors, or in the absence of such designation, at the Principal Executive Office. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or typed form or any other form capable of being converted into written, typed or printed form.

**Section 4. Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every land and the physical properties of the Corporation and each of the subsidiary corporations of the Corporation. The right of inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents. The books and record shall be open to inspection on the written demand of any director, at any reasonable time during usual business hours, for a purpose reasonably related to the interests of the director as a director.

**Section 5. Annual Report.** The annual report referred to in Section 6321 of the Nonprofit Public Benefit Corporation Law is expressly dispensed with, but nothing in these Bylaws shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the directors of the Corporation as they consider appropriate. However, the Corporation shall provide to the directors, and to those directors who request it in writing, within one hundred twenty (120) days of the close of its fiscal year a report containing the following information in reasonable detail:

- (a) The assets and liabilities, including the trust funds, of the 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 during the fiscal year for both general and restricted purposes; and
- (e) Any information required by Section 6322 of the Nonprofit Public Benefit Corporation Law.

**ARTICLE X**

**FISCAL YEAR**

The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September of each year.

**ARTICLE XI**

**CORPORATE SEAL**

The corporate seal of the Corporation shall consist of a circle within which shall be the following words and figures:

PLACER - NEVADA - SOUTH SUTTER - NORTH SACRAMENTO  
SUBWATERSHED GROUP  
Incorporated: October 14, 2004

**ARTICLE XII**

**CONSTRUCTION AND DEFINITIONS**

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

Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both corporate entities and natural persons.

**ARTICLE XIII**

**AMENDMENTS BY THE BOARD OF DIRECTORS**


Subject to the Articles of Incorporation, the Nonprofit Corporation Law and the Nonprofit Public Benefit Corporation Law, these Bylaws may be amended, revised, restated or repealed (in whole or in part) by a majority of the directors at a meeting of the Board of Directors called for such purpose.

**CERTIFICATE OF SECRETARY**

By this Certificate of Secretary, Mike Daddow certifies that:

- (1) I am the presently elected Secretary of the PLACER - NEVADA - SOUTH SUTTER - NORTH SACRAMENTO SUBWATERSHED GROUP (the "Corporation"), and
- (2) The foregoing "AMENDED BYLAWS OF PLACER - NEVADA - SOUTH SUTTER - NORTH SACRAMENTO SUBWATERSHED GROUP", consisting of 23 pages, inclusive of this Certificate of Secretary, are the Bylaws of the Corporation duly adopted and ratified by Unanimous Consent of the Board of Directors, both such actions having taken place effective as of AUGUST 22, 2008.

**IN WITNESS WHEREOF**, on AUGUST 22, 2008, I subscribed my name hereto and affixed the Seal of the Corporation onto this Certificate of Secretary.

  
Mike Daddow  
Secretary of the Corporation