



**NON-PROFIT BYLAWS OF**  
**Z OWNERS OF**  
**NORTHERN CALIFORNIA**

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# **NON-PROFIT BYLAWS OF**

## **Z OWNERS OF NORTHERN CALIFORNIA**

### **PREAMBLE**

The following Non-Profit Bylaws ("Bylaws"), shall be subject to, and governed by, the Non-Profit Corporation Act of California and the Articles of Incorporation of Z Owners of Northern California as amended. In the event of a direct conflict between the herein contained provisions of these Bylaws and the mandatory provisions of the Non-Profit Corporation Act of California, said Non-Profit Corporation Act shall be the prevailing controlling law. In the event of a direct conflict between the provisions of these Bylaws and the Articles of Incorporation of Z Owners of Northern California, it shall then be these Bylaws which shall be controlling.

### **ARTICLE 1 – NAME**

The legal name of the Non-Profit Corporation shall be known as Z Owners of Northern California, and shall herein be referred to as the "Corporation" or "ZONC."

### **ARTICLE 2 – PURPOSE**

The general purposes for which this Corporation has been established are as follows:

The Corporation is a nonprofit mutual benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Corporation Law of California ("California Nonprofit Corporation Law") for public purposes.

The Corporation is established within the meaning of IRS Publication 557 Section 501(c)(7) Organization of the Internal Revenue Code of 1986, as amended (the "Code") or the corresponding section of any future federal tax code and shall be operated exclusively as a social and recreational organization to promote and develop good fellowship, sportsmanship, and safe operation of the Datsun and Nissan Z car and GT-R, Datsun 510 and Roadster, Infiniti G Coupe and other models of Datsun, Nissan or Infiniti sports cars that the Board may establish at any time. The ZONC territory of active membership shall be considered and defined by the following geographical boundaries: North to the Oregon border, West to the Pacific Ocean, East to the Nevada border, and South to Visalia. Chapters of ZONC may incorporate in any geographical area outside of the above described territory.

In addition, this Corporation has been formed for the purpose of performing all things incidental to, or appropriate in, the foregoing specific and primary purposes. However, the Corporation shall not, except to an insubstantial degree, engage in any activity or the exercise of any powers which are not in furtherance of its primary non-profit purposes.

The Corporation shall hold and may exercise all such powers as may be conferred upon any nonprofit organization by the laws of the State of California and as may be necessary or expedient

for the administration of the affairs and attainment of the purposes of the Corporation. At no time and in no event shall the Corporation participate in any activities which have not been permitted to be carried out by a Corporation exempt under Section 501(c) of the Internal Revenue Code of 1986 (the "Code").

### **ARTICLE 3 – OFFICES AND CHAPTERS**

#### **Offices**

The principal office for the transaction of the business of the Corporation may be established at any place or places within or without the State of California by resolution of the Board.

The Corporation may have other such offices as the Board of Directors may determine or deem necessary, or as the affairs of the Corporation may find a need for from time to time.

#### **Chapters**

Chapter organizations are any group of people who fulfill the purpose of ZONC and reside outside the Corporation's geographical territory as described in Article 2.

#### ***Conditions of Acceptance:***

- 1) A chapter will be governed by the Bylaws of ZONC
- 2) Individual membership dues are to be paid to the treasury of ZONC
- 3) Chapter members may not hold an elected or an appointed office in ZONC

#### ***Guaranteed Rights of Chapter Organizations:***

- 1) To create their own organizational identity (i.e. Organizational Name)
- 2) The right to form its own organizational elected officers
- 3) All membership privileges, as stated in Article 5
- 4) All voting rights of General and Associate Members
- 5) The official publication, "Z News", will publish that chapter's news needs
- 6) Receive monthly issues of the official publication of ZONC, "Z News", to all chapter members
- 7) Receive the privileges of event liability insurance, under the umbrella of ZONC

A chapter organization may remove itself from the Corporation by submitting a written request to the Directors and Officers. Upon approval, by a simple majority of the Directors and Officers, of that request, all guaranteed rights as described above will be terminated and no longer be in force.

### **ARTICLE 4 – DEDICATION OF ASSETS**

The properties and assets of the Corporation are irrevocably dedicated to and for non-profit purposes only. No part of the net earnings, properties, or assets of this Corporation, on dissolution or otherwise, shall inure to the benefit of any person or any member, Director, or Officer of this Corporation. On liquidation or dissolution, all remaining properties and assets of the Corporation shall be distributed and paid over to an organization dedicated to non-profit purposes which has established its tax-exempt status pursuant to Section 501(c) of the Code.



## **ARTICLE 5 - MEMBERS**

All owners of Datsun, Nissan or Infiniti sports cars set forth in Article 2, or of such sports cars as may be designated by the Board, shall be eligible for membership in the Corporation, together with other individuals or organizations that support the Corporation's purpose as set forth in Article 2. An application for membership may be declined upon a majority vote of the elected Directors.

### **Classes of Voting Members.**

All members in good standing shall have one vote each.

**General Members** shall be afforded all rights and privileges of a member of the Corporation. General Members shall be registered owners of Datsun, Nissan or Infiniti sports cars as set forth in Article 2, or of such sports cars as may be designated by the Board, and shall pay the prescribed Corporation dues.

**Associate Members** shall have all the rights and privileges of a General Member with the exception of receiving the Corporation's publications. An Associate Member shall be sponsored by a General Member and shall pay the prescribed Corporation dues.

**Out-of-Area Members** are members who do not reside within the geographic limits of ZONC's territory in Northern California. Out-of-Area Members shall be registered owners of Datsun, Nissan or Infiniti sports cars as set forth in Article 2, or of such sports cars as may be designated by the Board, and pay the prescribed Corporation dues. Out-of-Area Members shall not be eligible to run or hold an elected office with ZONC, and shall not petition or be awarded a "territory" or position on the Board.

**Life Memberships** may be awarded in recognition for outstanding contributions and accomplishments to the organization by a unanimous vote of the Board. Life Members shall be afforded all of the rights and privileges of a member of the Corporation.

**Honorary Memberships** may be awarded to a person or organization that has contributed special services to advance or serve the organizational purpose of ZONC. Honorary Membership may be conferred by a majority vote of the Board. Honorary Members shall be afforded all of the rights and privileges of a member of the Corporation. Honorary Memberships shall be conferred for a one year term.

Membership in the corporation is not transferable or refundable, with the exception of a majority vote by the Board. Membership in the corporation can be suspended or terminated by a unanimous vote of the Board for violation of any rules in these Bylaws or other corporate rules, whether harmful or the potential of harm to ZONC, or any of its elected Directors.

The Board may adopt policies and procedures for the admission of other designated members who shall have no voting rights in the Corporation. Such other designated members are not "members" of the Corporation as defined in section 5056 of the California Nonprofit Corporation Law.

### **Non-Profit Corporation Dues**

Dues shall be due and payable as prescribed by the Board. Dues shall be payable to ZONC. Dues will be considered delinquent 30 days after expiration. The Board shall have the right to determine the amount of dues as deemed necessary to meet the financial obligations of the corporation.

### **Meetings**

General Membership meetings shall be held at a minimum on a quarterly basis. General Membership meetings may be held concurrently with Board of Directors or Committee of Officers' meetings. General Membership meetings may be held at such time and place as shall be determined by the Board. General Membership meetings may be hosted electronically. The Vice President shall give no less than ten (10) days' notice of General Membership meetings, and the notices shall be published in the newsletter and on the website.

### **Electronic Communications**

Official corporate communications to members will be sent electronically by email to members' designated email addresses. Members may decline to receive electronic communications by notice to the Membership Representative and the Corporation will thereafter send official communications by regular mail if the communications can be timely transmitted by the postal service.

## **ARTICLE 6 – BOARD OF DIRECTORS**

### **General Powers and Responsibilities**

The Corporation shall be governed by a Board of Directors (the "Board"), which shall have all the rights, powers, privileges and limitations of liability of directors of a non-profit corporation organized under the Non-Profit Corporation Act of California. The Board shall establish policies and directives governing business and programs of the Corporation and shall delegate to the Committee of Officers, subject to the provisions of these Bylaws, authority and responsibility to see that the policies and directives are appropriately followed.

### **Number and Qualifications**

The Board shall have up to nine, but no fewer than five, Directors. The number of Directors may be increased beyond nine members or decreased to less than five members by the affirmative vote of a simple majority of the then serving Board of Directors. All Directors shall be either a General or Associate Member in good standing and shall live within the geographical boundaries of ZONC, as specified in Article 2.

In addition to the regular membership of the Board, representatives of such other organizations or individuals as the Board may deem advisable to elect shall be *Ex-Officio Board Members*, which will have the same rights and obligations, including voting power, as the other Directors.

### **Board Compensation**

The Board shall receive no compensation other than for reimbursement of reasonable expenses. However, provided the compensation structure complies with Sections relating to "Contracts Involving Board Members and/or Officers" as stipulated under these Bylaws, nothing in these Bylaws shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation for services rendered.



### **Board Elections**

Nominations of candidates including reelection of incumbents for elected office must be submitted in a statement not to exceed 150 words by **August 10<sup>th</sup>** to the Secretary. The nominated candidates for elected office must submit their acceptance or declination of nomination in a statement not to exceed 150 words by **September 10<sup>th</sup>** to the Secretary. The Secretary shall provide the official ballot listing the nominated candidates of record by **September 15<sup>th</sup>** for publication.

The official ballot shall contain the following:

1. Voting for Election of Directors
2. Voting for Best Event
3. Nominations for Outstanding Member
4. Any other additional awards/recognition voted upon by the Board

Voting shall conclude and ballots must be received by 12 midnight on **October 20<sup>th</sup>**. Members may vote by mail, electronically or in person.

The Board shall appoint a minimum of two (2) corporation members to the (Tellers) committee whose duties shall be to tally the votes cast for election of Directors. The members selected shall not be found on the candidates of record for the current election. The Tellers Committee shall not accept any ballot after voting has concluded. Within ten (10) days, the Tellers Committee shall open and tally the ballots and send the results to the Board. The tallied ballots shall be forwarded to the Secretary.

The Committee of Officers shall be notified of all voting results in a November Board meeting to be held no later than the **15<sup>th</sup> of November**. In the case of a tie vote for a particular office, the Directors elect shall cause a secret written ballot for the deciding result.

At the November Board meeting, new and renewing Directors shall be approved by Directors. The Board shall vote by secret ballot for additional awards, except the Outstanding Member. A separate ballot shall be produced for the Outstanding Member, to be voted on by the Board and tallied by the President. The Outstanding Area Representative shall be determined by the President.

The new Board will assume their responsibilities on the first of the year.

### **Term of Board**

All elections to the Board shall be for a term of one year. The President shall not serve more than two consecutive terms unless a majority of the Board, during the course of a Board meeting at which a quorum is present, votes to nominate the President to an additional year.

### **Vacancies**

A vacancy on the Board of Directors may exist at the occurrence of the following conditions:

- a) The death, resignation, or removal of any Director;
- b) The declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by a final order of court, convicted of a felony, found by final order or judgment of any court to have breached a duty pursuant to the Corporation



Code and/or Act of the law dealing with the standards of conduct for a Director, or has missed three consecutive meetings of the Board of Directors, or a total of three meetings of the Board during any one calendar year;

- c) An increase in the authorized number of Directors; or
- d) The failure of the members, at any annual or other meeting of the membership at which Director(s) are to be elected, to elect the full authorized number of Directors.

The Board of Directors, by way of affirmative vote of a majority of the Directors then currently in office, may remove any Director without cause at any regular or special meeting, provided that the Director to be removed has been notified in writing that such action would be considered at the meeting.

Except as provided in this paragraph, any director may resign effective upon giving written notice to the president of the Corporation, the secretary of the Corporation, or the Board of Directors, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be designated to take office when the resignation becomes effective. Unless the Attorney General of California is first notified, no Director may resign when the Corporation would then be left without a duly elected Director in charge of its affairs.

Any vacancy on the Board may be filled by vote of a simple majority of the Directors then in office, whether or not the number of Directors then in office is less than a quorum, or by vote of a sole remaining director. No reduction of the authorized number of Directors shall have the effect of removing any Director before that director's term of office expires.

A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

### **Resignation**

Each Director shall have the right to resign at any time upon written notice thereof to the President or Secretary of the Board. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.

### **Removal**

Any Director or Officer may be removed from office by a majority vote of the Committee of Officers for any violation of the Constitution, lack of dedication to their elected office, or acts that are found to hurt the corporation in promoting Article 2 of these Bylaws.

A Director or Officer may also be barred from future office or appointments and/or have their membership in the corporation suspended or terminated by a majority vote of the Board. The Board's decision will be final.

### **Meetings**

Board of Directors meetings shall be held, at a minimum on a monthly basis, subject to discretion of the Board. Board of Directors meetings may be hosted electronically. The Board's regular meetings may be held at such time and place as shall be determined by the Board. The Vice President shall give no less than ten (10) days' notice of Board meetings, and the notices shall be published in the newsletter and on the website. Any Director may request a meeting by making a request to the President or Vice President. Any Officer may request a meeting by making a request to a Director. The President or any three regular Directors may call a special meeting of the Board with seven days' written notice provided to each member of the Board. The notice shall be served upon each Director via hand delivery, regular mail, email, or fax. The person(s) authorized to call such special meetings of the Board may also establish the place the meeting is to be conducted, so long as it is a reasonable place to hold any special meeting of the Board. Meetings will not be adjourned without a majority vote of those in attendance.

In the event of an emergency, the Vice President may give notice of an emergency meeting on less than ten (10) days' notice by notifying the Board and/or the Committee of Officers by telephone or by e-mail of the date, time and place of the emergency meeting.

### **Minutes**

The Secretary shall be responsible for the recording of all minutes of each and every meeting of the Board in which business shall be transacted in such order as the Board may determine from time to time. However, in the event that the Secretary is unavailable, the President shall appoint an individual to act as Secretary at the meeting. The Secretary, or the individual appointed to act as Secretary, shall prepare the minutes of the meetings, which shall be delivered to the Corporation to be placed in the minute books. A copy of the minutes shall be delivered to each Director via either regular mail, hand delivered, emailed, or faxed within 23 business days after the close of each Board meeting.

### **Action by Written Consent**

Any action required by law to be taken at a meeting of the Board, or any action that may be taken at a meeting of the Board, may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by all Directors. The number of directors in office must constitute a quorum for an action taken by unanimous written consent. Such consent shall be placed in the minute book of the Corporation and shall have the same force and effect as a unanimous vote of the Board taken at an actual meeting. The Directors' written consent may be executed in multiple counterparts or copies, each of which shall be deemed an original for all purposes. In addition, facsimile signatures and electronic signatures or other electronic "consent click" acknowledgments shall be effective as original signatures.

### **Quorum**

At each meeting of the Board of Directors, the presence of three persons shall constitute a quorum for the transaction of business. If at any time the Board consists of an even number of members and a vote results in a tie, then the vote of the President shall be the deciding vote. The act of the majority of the Directors serving on the Board or Board Committees and present at a meeting in which there is a quorum shall be the act of the Board, unless otherwise provided by the Articles of Incorporation, these Bylaws, or a law specifically requiring otherwise. If a quorum is not present at a meeting, the Directors present may adjourn the meeting from time to time without further



notice until a quorum shall be present. However, a Director shall be considered present at any meeting of the Board or Board Committees if during the meeting he or she is present via telephone or web conferencing with the other Directors participating in the meeting.

#### **Voting**

Each Director shall have only one vote.

#### **Proxy and Delegates**

Directors shall not be allowed to vote by written proxy. A Director cannot delegate his/her responsibilities, without approval of the Board and its Officers.

#### **Director Attendance**

An elected Director of the Board who is absent from three consecutive regular meetings of the Board during a fiscal year shall be encouraged to reevaluate with the President his/her commitment to the Corporation. The Board may deem a Director who has missed three consecutive meetings without such a reevaluation with the President to have resigned from the Board.

### **ARTICLE 7 – DIRECTORS**

#### **Directors and Duties**

The Membership shall elect Directors of the Board by the majority of ballots cast by the voting membership. Ballots may be cast electronically, by regular mail or in person. The elected Directors shall include a President (Chief Executive Officer and Executive Director), a Vice President, a Vice President Administration, a Secretary, a Treasurer (Chief Financial Officer), and such other officers as the Board may designate by resolution. No person may hold concurrently more than one elected office, and no person may serve concurrently as Treasurer and Membership Representative. In addition to the duties in accordance with this Article, Directors shall conduct all other duties typically pertaining to their offices and other such duties which may be required by law, Articles of Incorporation, or by these Bylaws, subject to control of the Board of Directors, and they shall perform any other such additional duties which the Board of Directors may assign to them at their discretion.

Any and all vacancies in any office because of death, resignation, disqualification, removal, or for any other cause, shall be filled in accordance to the herein prescribed Bylaws for regular appointments to such office. The compensation, if any, of the Directors shall be fixed or determined by resolution of the Board of Directors. A vacancy occurring in the Board, except the office of President, shall be filled for the unexpired term by appointment of the Board, subject to approval by a majority of the Directors and Officers. All Directors and Officers who leave office shall transfer all corporate records to their office successor or as prescribed by the Board.

In an emergency situation, as defined as an unforeseen combination of circumstances that calls for immediate action, the Board shall have the authority to vote and proceed as necessary.

#### **President (Chief Executive Officer and Executive Director)**

It shall be the responsibility of the President, when present, to preside over all meetings of the Board of Directors, Meetings of Officers and General Meetings. The President shall act as an ex-officio member of all committees, except the Auditing and Tellers Committee, by virtue of office



and position. It shall be the responsibility of the President, in general, to supervise and conduct all activities and operations of the Corporation, subject to the control, advice and consent of the Board of Directors. The President shall keep the Board and its Officers completely informed, shall freely consult with them in relation to all activities of the Corporation, and shall see that all orders and/or resolutions of the Board are carried out to the effect intended. The President shall keep the membership informed as to official communications concerning the Corporation. The President shall be empowered to act, speak for, or otherwise represent the Corporation between meetings of the Board. The President shall be responsible for appointing and dismissing all personnel, subject to the approval of the Directors, and shall be responsible for keeping the Board informed at all times of staff performance and for implementing any personnel policies which may be adopted and implemented by the Board. The President, at all times, is authorized to contract and to execute in the name of the Corporation all contracts and other documents authorized either generally or specifically by the Board to be executed by the Corporation (except when required by law that the Secretary's signature must be provided), and to negotiate any and all material business transactions of the Corporation. The President shall endeavor to serve the entire Corporation in a strictly impartial manner and become familiarized with the Corporation Bylaws and Constitution.

#### **Vice President**

In the absence of the President, or in the event of his/her inability or refusal to act, it shall then be the responsibility of the Vice President to perform all the duties of the President, and in doing so, he/she shall have all authority and powers of and shall be subject to all of the restrictions on the President.

The Vice President shall work with the Activities Coordinator for the Corporation and perform any other functions assigned by the President. The Vice President shall report on a regular basis, as deemed necessary by the President, on the status of every Area Representative in the organization. The Vice President shall direct and advise the Area Representatives, help plan for organizational events, and report to the Board and Officers the status of each committee's progress on their assigned projects.

#### **Vice President Administration**

In the absence of the President and Vice President, or in the event of their inability or refusal to act, it shall then be the responsibility of the Vice President Administration to perform all the duties of the President, and in doing so shall have all authority and powers of, and shall be subject to all of the restrictions on, the President.

The Vice President Administration shall be responsible for the Corporation's administrative needs. Those needs shall be, but not limited to, amendments to and restatements of the Bylaws and Constitution, and the insurance needs of the organization, as directed by the Board. It shall be the responsibility of the Vice President Administration to inform and advise on all findings, to facilitate the Board's decision on all administrative matters.

It shall be the responsibility of the Vice President Administration to organize any committee(s), as necessary, to help with any of his/her tasks as described above.



### **Secretary**

The Secretary, or his/her designee, shall be the custodian of all records and documents of the Corporation, which are required to be kept at the principal office of the Corporation, and shall act as secretary at all meetings of the Board of Directors, Committee of Officers, and Membership meetings, and shall keep the minutes of all such meetings on file in hard copy or electronic format. The Secretary shall distribute the Minutes to each Director prior to the next following meeting; shall keep on file and have available at all meetings the official Minutes of all proceedings; shall assist the President in the preparation of an agenda for Board, Officers and General meetings and prepare correspondence as directed by the Board, shall transmit postings to the Webmaster for posting on ZONC's website, and shall maintain and update the sponsor list. The Secretary shall attend to the giving and serving of all notices of the Corporation and shall see that the seal of the Corporation, if any, is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws.

### **Treasurer (Chief Financial Officer)**

It shall be the responsibility of the Treasurer to keep and maintain, or cause to be kept and maintained, adequate and accurate accounts of all the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements.

The Treasurer shall complete all required governmental returns and keep a copy of said returns. The Treasurer shall prepare a corporate budget for all proposed activities for the calendar year; keep an itemized account of all receipts and expenditures; keep an inventory of all items owned by the corporation and the location of said items; and prepare a monthly financial statement in writing for the Board and its Officers with ZONC's current bank statement attached. The Treasurer, together with the Membership Representative, shall have direct responsibility for dues collection and processing. The Treasurer shall disburse funds only as provided by these Bylaws or at the discretion of the Board and collect all moneys belonging to the corporation.

### **Financial Disbursement.**

All expenses \$25.00 and over, for non-operational business expenses, shall be presented to the Directors for approval prior to expenditure (i.e. Area Representative expenses). Disbursement of funds greater than \$300.00 shall require the approval of three (3) Directors.

### **Audits.**

At the end of each fiscal year, the financial records shall be audited by an *ad hoc* fiscal committee appointed by the President and chaired by the incoming Treasurer, or as deemed necessary. The results of this audit shall be presented to the Board and its Officers by the end of the first quarter.

## **ARTICLE 8 – COMMITTEES AND OFFICERS**

Unless otherwise authorized by the Board of Directors, no Committee shall compel the Corporation in a contract or agreement or expend Corporation funds.

### **Committees 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 Directors or committees to exercise all



or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these Bylaws. Each such committee shall consist of two (2) or more Directors, and may also include persons who are not on the Board but whom the Directors believe to be reliable and competent to serve at the specific committee. However, committees exercising any authority of the Board of Directors may not have any non-director members. The Board may designate one or more alternative members of any committee who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the Directors then in office, provided that a quorum is present. The Board of Directors may also designate one or more advisory committees that do not have the authority of the Board. However, no committee, regardless of Board resolution, may:

- a) Approve of any action that, pursuant to applicable Law, would also require the affirmative vote of the members of the Board if this were a membership vote.
- b) Fill vacancies on, or remove the members of, the Board of Directors or any committee that has the authority of the Board.
- c) Fix compensation of the Directors serving on the Board or on any committee.
- d) Amend or repeal the Articles of Incorporation or Bylaws or adopt new Bylaws.
- e) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable.
- f) Appoint any other committees of the Board of Directors or their members.
- g) Approve a plan of merger, consolidation, voluntary dissolution, bankruptcy, or reorganization; or a plan for the sale, lease, or exchange of all or considerably all of the property and assets of the Corporation otherwise than in the usual and regular course of its business; or revoke any such plan.
- h) Approve any self-dealing transaction, except as provided pursuant to law.

#### **Committee of Officers**

The Committee of Officers shall be comprised of the Directors, all appointed Officers and the Officer at Large. All Committee of Officers members (referred to herein as "Officers") shall be entitled to one vote each on the business before the Committee.

The ***Officer at Large*** of this corporation shall be the outgoing President. This position shall provide continuity to the newly elected Officers and shall serve from the time of installation of the new Officers, not to exceed two (2) years.

The appointed Officers shall be appointed by the President, subject to the approval of the Directors. Appointed Officers shall live within ZONC's geographical territory. The Officer's term of appointment may be renewed or declined by any newly elected administration, with a simple majority vote of the Directors. This shall occur early within the first quarter of the new

administration's term. An appointed Officer cannot delegate his/her responsibilities, without approval by the Committee of Officers.

**Appointed Officers and Duties**

***Area Representatives.*** An Area Representative's duties shall include, but not be limited to: representing the corporation on a local basis; coordinating regular local area meetings; reporting to the Committee of Officers regarding the disposition of his/her assigned area; serve as a representative of the local membership to the Committee of Officers, and perform all other assignments as directed by the President.

***Z News Editor.*** The Z News Editor's duties shall include, but not be limited to, publishing and mailing the monthly newsletter by regular mail. The Z News Editor shall distribute electronic editions of the monthly newsletter to the Membership Representative or as otherwise designated by the Committee of Officers.

***Club Store Manager.*** The Club Store Manager's duties shall include, but not be limited to managing the Club Store.

***Technical Representative.*** The Technical Representative's duties shall include, but not be limited to: providing technical advice to members and writing technical articles for the newsletter.

***Webmaster.*** The Webmaster's duties shall include maintaining and updating ZONC's website and coordinating with the Membership Representative the membership's electronic access to exclusive membership information on the website.

***Activities Representative.*** The Activities Representative's duties shall include, but not be limited to: being in charge of the activities for the corporation; reporting on a regular basis to the Committee of Officers; maintaining the Activities Calendar; and providing updated information to the Z News Editor and Webmaster.

***Rallye and Competition Representative.*** The Rallye and Competition Representative's duties shall include, but not be limited to: representing ZONC at NCSCC, SCCA meetings, coordinating rallyes and autocross events, submitting competition event schedules for publication, and reporting on a regular basis to the Committee of Officers.

***Club Historian.*** The Club Historian's duties shall include, but not be limited to: maintaining a central repository for club memorabilia and newsletters and provide publications for the newsletter and the website.

***Membership Representative.*** The Membership Representative's duties shall include, but not be limited to: receiving and keeping records of membership applications, renewal applications and dues payments received by ZONC. The Membership Representative shall maintain the databases of the club, provide monthly rosters to the Area Representatives or other Committee of Officers members as needed. The Membership Representative shall keep an accurate record of membership rosters and be able to provide such information upon request of the Board. The Membership Representative shall forward dues payments to the Treasurer. The Membership Representative shall mail Welcome letters, automobile decals, and membership cards as appropriate to new members and renewing members.



### **Meetings and Actions of Committees**

Committee of Officers meetings shall be held at a minimum on a quarterly basis. Committee of Officers meetings may be hosted electronically. Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Article 6 - Board of Directors of these Bylaws concerning meetings and actions of the directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. The Vice President shall give no less than ten (10) days' notice of Committee meetings, and the notices shall be published in the newsletter and on the website. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of 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 committee and shall be filed with the Corporation records. The Board of Directors may adopt rules not inconsistent with the provisions of these Bylaws for the governance of any committee. Committee members should attend a majority of the above meetings.

If a Director relies on information prepared by a Committee on which the Director does not serve, the committee must be composed exclusively of any or any combination of (a) Directors, (b) Directors or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented, or (c) counsel, independent accountants, or other persons as to matters which the Director believes to be within that person's professional or expert competence.

### **Removal of Appointed Officers.**

Any appointed Officer may be removed from his/her position by a majority vote of the Directors for any violation of these Bylaws, lack of dedication to the appointed position, or acts that are found to harm the corporation in promoting Article 2 of these Bylaws.

Each Officer shall transfer, within two (2) weeks after the end of his/her term or upon removal, all records to their appointed successor or as prescribed by the Board.

## **ARTICLE 9 - STANDARD OF CARE**

### **General**

A Director shall perform all the duties of a Director, including, but not limited to, duties as a member of any committee of the Board on which the Director may serve, in such a manner as the Director deems to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinary, prudent, and reasonable person in a similar situation may exercise under similar circumstances.

In the performance of 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:

- a) One or more Officers or employees of the Corporation whom the Director deems to be reliable and competent in the matters presented;

- b) Counsel, independent accountants, or other persons, as to the matters which the Director deems to be within such person's professional or expert competence; or
- c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director deems to merit confidence,

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

Except as herein provided in Article 9 - Standard of Care, any person who performs the duties of a Director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limitation of the following, any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, are dedicated.

#### **Loans**

The Corporation shall not make any loan of money or property to, or guarantee the obligation of, any Director or officer, unless approved by the California Attorney General; provided, however, that the Corporation may advance money to a Director or Officer of the Corporation or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such Officer or Director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

#### **Conflict of Interest**

The purpose of the Conflict of Interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its Officers or Directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable corporations/organizations and is not intended as an exclusive statement of responsibilities.

#### **Restriction on Interested Directors**

Not more than 40% (40 percent) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (1) any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director; and (2) any brother, sister, parent, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the interested person.

#### **Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors who are considering the proposed transaction or arrangement.



### **Establishing a Conflict of Interest**

After the disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board meeting while the potential conflict of interest is discussed and voted upon. The remaining Directors shall decide if a conflict of interest exists.

### **Addressing a Conflict of Interest**

In the event that the Board should establish that a proposed transaction or arrangement establishes a conflict of interest, the Board shall then proceed with the following actions:

- a) Any interested person may render a request or report at the Board meeting, but upon completion of said request or report the individual shall be excused while the Board discusses the information and/or material presented and then votes on the transaction or arrangement proposed involving the possible conflict of interest.
- b) The President of the Board shall, if deemed necessary and appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the Board shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the best interest of the Corporation, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction arrangement in conformity with this determination.

### **Violations of Conflict of Interest Policy**

Should the Board have reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, the Board shall then inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

If, after hearing the interested person's explanation, and after making further investigation as may be warranted in consideration of the circumstances, the Board determines the interested person intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **Procedures and Records**

All minutes of the Board Meetings, when applicable, shall contain the following information:

- a) The names of all the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the



financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.

- b) The names of the persons who were present for discussions and any votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement, and a record of any vote taken in connection with the proceedings.

#### **Acknowledgement of Conflict of Interest Policy**

Each Director, Officer, and member of a committee with Board delegated powers shall be required to sign a statement which affirms that such person:

- a) Has received a copy of the conflict of interest policy;
- b) Has read and understands the policy;
- c) Has agreed to comply with the policy; and
- d) Understands that the Corporation is charitable, and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### **Violation of Loyalty - Self-Dealing Contracts**

A self-dealing contract is any contract or transaction (i) between this Corporation and one or more of its Directors, or between this Corporation and any corporation, firm, or association in which one or more of the Directors has a material financial interest ("Interested Director"), or (ii) between this Corporation and a corporation, firm, or association of which one or more of its directors are Directors of this Corporation. Said self-dealing shall not be void or voidable because such Director(s) of corporation, firm, or association are parties or because said Director(s) are present at the meeting of the Board of Directors or committee which authorizes, approves or ratifies the self-dealing contract, if:

- a) All material facts are fully disclosed to or otherwise known by the members of the Board and the self-dealing contract is approved by the Interested Director in good faith (without including the vote of any membership owned by said interested Director(s));
- b) All material facts are fully disclosed to or otherwise known by the Board of Directors or committee, and the Board of Directors or committee authorizes, approves, or ratifies the self-dealing contract in good faith—without counting the vote of the interest Director(s)—and the contract is just and reasonable as to the Corporation at the time it is authorized, approved, or ratified; or
- c) As to contracts not approved as provided in above sections (a) and/or (b), the person asserting the validity of the self-dealing contract sustains the burden of proving that the contract was just and reasonable as to the Corporation at the time it was authorized, approved, or ratified.

Interested Director(s) may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof, which authorizes, approves, or ratifies a contract or transaction as provided for and contained in this section.

### **Indemnification**

To the fullest extent permitted by law, the Corporation shall indemnify its "agents," as described by law, including its Directors, Officers, employees and volunteers, and including persons formerly occupying any such position, and their heirs, executors and administrators, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," and including any action by or in the right of the Corporation, by reason of the fact that the person is or was a person as described in the Non-Profit Corporation Act. Such right of indemnification shall not be deemed exclusive of any other right to which such persons may be entitled apart from this Article.

The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation, to the fullest extent permitted by law, against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, or to give other indemnification to the extent permitted by law.

All participants in a ZONC event are required to read and sign a form releasing the corporation of any liability. All ZONC members and other individuals acting on behalf of ZONC members are required to be licensed drivers with current liability insurance in order to participate in ZONC events and other events in which ZONC participates.

## **ARTICLE 10 – EXECUTION OF CORPORATE INSTRUMENTS**

### **Execution of Corporate Instruments**

The Board of Directors may, at its discretion, determine the method and designate the signatory Director or Directors, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Corporation.

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the Corporation, promissory notes, deeds of trust, mortgages, other evidences of indebtedness of the Corporation, and other corporate/organization instruments or documents, memberships in other corporations/organizations shall be executed, signed, and/or endorsed by the Secretary.

All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation, or in special accounts of the Corporation, shall be signed by such person or persons as the Board of Directors shall authorize to do so.

### **Loans and Contracts**

No loans or advances shall be contracted on behalf of the Corporation and no note or other evidence of indebtedness shall be issued in its name unless and except as the specific transaction is authorized by the Board of Directors. Without the express and specific authorization of the



Board, no officer or other agent of the Corporation may enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation.

## **ARTICLE 11 – RECORDS AND REPORTS**

### **Maintenance and Inspection of Articles and Bylaws**

The Corporation shall keep at its principal office the original or a copy of its Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the Directors at all reasonable times upon request to the Secretary.

### **Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns**

The Corporation shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law. Acknowledgment, receipts or other evidence of electronic filing shall be forwarded to the Secretary for inclusion in Corporation records.

### **Maintenance and Inspection of Other Corporate Records**

The Corporation shall keep adequate and correct books and records of accounts and written minutes of the proceedings of the Board and committees of the Board. All such records shall be kept at a place or places as designated by the Board and committees of the Board, or in the absence of such designation, at the principal office of the Corporation. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the Corporation shall turn over to his or her successor or the President or President, in good order, such corporate/organization monies, books, records, minutes, lists, documents, contracts or other property of the Corporation as have been in the custody of such officer, employee, or agent during his or her term of office.

Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation and each of its subsidiary corporations/organizations. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

### **Preparation of Annual Financial Statements**

The Corporation shall prepare annual financial statements using generally accepted accounting principles. Such statements may be audited by an independent certified public accountant, in conformity with generally accepted accounting standards upon the majority vote of the Board. The Corporation shall make these financial statements available to the California Attorney General and members of the public for inspection no later than 90 days after the close of the fiscal year to which the statements relate.

### **Reports**

The Board shall ensure an annual report is sent to all Directors within 90 days after the end of the fiscal year of the Corporation, which shall contain the following information:

- a) The assets and liabilities, including trust funds, of this corporation at the end of the fiscal year.
- b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- c) The expenses or disbursements of the Corporation for both general and restricted purposes during the fiscal year.
- d) The information required by Non-Profit Corporation Act concerning certain self-dealing transactions involving more than \$50,000 or indemnifications involving more than \$10,000 which took place during the fiscal year.

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

#### **ARTICLE 12 – FISCAL YEAR**

The fiscal year for this Corporation shall end on December 31.

#### **ARTICLE 13 – AMENDMENTS AND REVISIONS**

These Bylaws may be adopted, amended, or repealed by

1. The vote of a majority of the members present and eligible to vote at a meeting called for that purpose, or
2. The majority vote of members responding by mail or electronic ballot

which written notice of such meeting, setting forth the proposed bylaw revisions with explanations therefore, is given in accordance with these Bylaws. If any provision of these Bylaws requires the vote of a larger portion of the Membership than is otherwise required by law, that provision may not be altered, amended or repealed by that greater vote.

#### **ARTICLE 14 – CORPORATE/ORGANIZATION SEAL**

The Board of Directors may adopt, use, and alter a corporate/organization seal. The seal shall be kept at the principal office of the Corporation. Failure to affix the seal to any corporate/organization instrument, however, shall not affect the validity of that instrument.

#### **ARTICLE 15 – CONSTRUCTION AND DEFINITIONS**

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the Non-Profit Corporation Act as amended from time to time shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a Corporation as well as a natural



person. If any competent court of law shall deem any portion of these Bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these Bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

#### **ARTICLE 16 – OFFICIAL PUBLICATIONS**

The official publications of this corporation shall be the newsletter and the Corporation's website, [www.zonc.org](http://www.zonc.org). The newsletter will be distributed to the membership on a monthly basis. The website will be updated from time to time and viewing may be limited to those holding membership rights in the Corporation. The purpose and intent of publication is to promote the purpose of the club, as specified in Article 2. The Z News Editor and Webmaster have the authority to deny publication of information, photographs, articles, or any portion thereof that do not promote the intent of Article 2. The Z News Editor and Webmaster shall report to the Board on matters where publication may be denied.

#### **CERTIFICATE OF SECRETARY**

I, Ann Devor, certify that I am the current duly appointed and acting Secretary of the Z Owners of Northern California corporation, and the above Bylaws are the Bylaws of this Corporation as approved by the membership and adopted by the Board of Directors on November 1, 2016, and that they have not been amended or modified since the above.

***EXECUTED*** on this 2<sup>nd</sup> day of November 2016, in the County of Contra Costa in the State of California.



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Ann Devor  
Appointed Secretary  
Z Owners of Northern California