

LAGUNA ART MUSEUM

AMENDED AND RESTATED BYLAWS OF LAGUNA ART MUSEUM, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

Laguna Art Museum, pursuant to Section 5150 of the California Nonprofit Corporation Law, hereby adopts these Amended and Restated Bylaws, which restate, amend and supersede the bylaws of the corporation in their entirety as described below:

ARTICLE I

NAME

The name of this corporation is Laguna Art Museum.

ARTICLE II

OFFICES

SECTION 1. PRINCIPAL OFFICE

The principal office for the transaction of the business of the corporation ("principal executive office") is located at 307 Cliff Drive, Laguna Beach, California 92651. Subject to Article V, Section 8 of these bylaws, the Board of Trustees may change the principal office from one location to another. Any change of this location shall be noted by the Secretary on these Bylaws opposite this section or this section may be amended to state the new location.

SECTION 2. OTHER OFFICES

The Board of Trustees may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE III

OBJECTIVE AND PURPOSE

SECTION 1. OBJECTIVES

The objective of the corporation is to collect, preserve, exhibit, educate and provide scholarship relative to California art, or as otherwise provided in the Articles of Incorporation of the corporation.

SECTION 2. PURPOSE

This corporation is formed under the California Nonprofit Public Benefit Corporation Law for public purposes, and it shall be nonprofit and non-partisan. No substantial part of the activities of the corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office; or for or against any cause or measure being submitted to the people for a vote.

SECTION 3. UNAUTHORIZED ACTIVITIES

The corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its public purpose.

ARTICLE IV

MEMBERSHIP

SECTION 1. CLASSES

Membership shall be separated into such classes as the Board of Trustees shall from time to time designate. The Board of Trustees shall have the authority to determine the rights, privileges, preferences, restrictions and conditions for each class of membership, which shall be set forth on the corporation's website and membership brochure. The Board of Trustees may delegate its responsibilities under this Section 1 to the Executive Director, if any, or to any other officer of the corporation or member of the Board of Trustees.

SECTION 2. FEE, DUES AND ASSESSMENTS

Each member in good standing must pay, within the time and on the conditions set by the Board of Trustees, annual dues in an amount to be fixed from time to time by the Board of Trustees. The Board of Trustees may set different fees and dues for each class, and if the Board of Trustees so approves, memberships may be issued for no consideration. The Board of Trustees may delegate its responsibilities under this Section 2 to the Executive Director, if any, or to any other officer of the corporation or member of the Board of Trustees.

SECTION 3. TERMINATION OF MEMBERSHIP

(a) Causes of Termination. The membership of any member shall terminate upon occurrence of any of the following events:

- (i) The resignation of a member.
- (ii) The failure of a member to renew his or her membership for the following year by not paying his or her annual membership dues.
- (iii) The occurrence of any event which renders such member ineligible for membership, provided that termination for such cause shall take effect only upon expiration of the period for which such member's current membership runs.
- (iv) The determination by the Board of Trustees or a committee designated to make such determination that the member has failed in a material and serious degree to observe the rules of conduct of the corporation, or has engaged in conduct materially and seriously prejudicial to the interest of the corporation.

(b) Procedure of Expulsion. Following determination that a member should be expelled under subparagraph (iv) above, the corporation shall follow the procedures mandated by Section 5341 of the California Nonprofit Corporation Law.

SECTION 4. TRANSFER OF MEMBERSHIPS

No member may transfer for value a membership or any right arising from it. All rights of membership cease on the member's death or dissolution.

ARTICLE V

MEMBER MEETINGS AND VOTING

SECTION 1. PLACE OF MEETINGS

Meetings of the membership shall be held at any place within or outside of the State of California designated by the Board of Trustees. In the absence of any such designation, members' meetings shall be held at the principal office of the corporation.

SECTION 2. MEETINGS

(a) Authorized Persons Who May Call. A meeting of the members may be called at any time by any of the following: the Board of Trustees, the Chairman of the Board, if any, or five percent (5%) or more of the members of the corporation.

(b) Calling Meetings by Members. If a meeting is called by members other than the Board of Trustees or the Chairman of the Board, the request shall be submitted by such members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the Chairman of the Board or the Secretary of the corporation. The officer receiving the request shall cause notice to be given within twenty days to the members entitled to vote, in accordance with the provisions of subsection (c) of Section 3 of this Article V, that a meeting will be held, and a date for such meeting, which date shall not be less than thirty-five (35) nor more than ninety (90) days following receipt of the request. If notice is not given within twenty (20) days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of members may be held when the meeting is called by action of the Board of Trustees.

SECTION 3. NOTICE OF MEMBERS' MEETING

(a) General Notice Contents. Except as set forth in subsection (b) of Section 2 of this Article V, all notices of meetings of members shall be sent or otherwise given in accordance with subsection (c) of this Section 3 not less than ten (10) nor more than ninety (90) days before the date of the meeting. A notice shall specify the place, date, and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, and no other business may in that case be transacted, or (ii) in the case of a regular meeting, those matters which the Board of Trustees, at the time of giving the notice, intends to present for action by the members.

(b) Notice of Certain Agenda Items. If action is proposed to be taken at any meeting for approval of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s):

- (i) Removing a Trustee without cause;
- (ii) Filling vacancies on the Board of Trustees by the members;
- (iii) Amending the Articles of Incorporation;
- (iv) Voluntarily dissolving the corporation.

(c) Manner of Giving Notice. Notice of any meeting of members shall be given either personally or by mail or other written communication, charges prepaid, addressed to each member, either at the address of that member appearing on the books of the corporation or the address given by the member to the corporation for the purpose of notice. If no address appears on the corporation's books, and no address has been so given, notice shall be deemed to have been given if either (i) notice is sent to that member by mail or other written communication to the corporation's principal office, or (ii) notice is published at least once in the newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

(d) Affidavit of Mailing Notice. An affidavit of the mailing or other means of giving any notice of the members' meeting may be executed by the Secretary, Assistant Secretary, or any transfer agent of the corporation giving the notice, and if so executed, shall be prima facie evidence of the giving of the notice and filed and maintained in the Minute Book of the corporation.

SECTION 4. QUORUM

(a) Number Required. Except as otherwise provided in Section 8 of this Article V, twenty-one (21) members shall constitute a quorum for the transaction of business at a meeting of the members and may act upon any subject where a statement of its general nature was sent to the members at least ten (10) days before the meeting, in the manner of giving notice. If, however, the attendance at any general or annual meeting is less than one-third of the voting power, the members may vote only on matters as to which notice of their general nature was given under subsection (a) of Section 3 of this Article V.

(b) Loss of Quorum. The members present at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

SECTION 5. VOTING.

(a) Eligibility to Vote. Persons entitled to vote at any meeting of members shall be members of all classes of membership (except the Student membership class) in good standing who are members as of the date determined in accordance with Section 6 of this Article V, subject to the provisions of the California Nonprofit Corporation Law.

(b) Manner of Casting Votes. Except as provided below, voting may be by voice or ballot.

(c) Only Majority of Members Represented at Meeting Required, Unless Otherwise Specified. If a quorum is present, the affirmative vote of the majority of the members represented at the meeting, entitled to vote and voting on any matter (other than the election of Trustees) shall be the act of the members, unless the vote of a greater number or voting by classes is required by the California Nonprofit Corporation Law or by the Articles of Incorporation.

(d) Action by Written Ballot. Actions of the members shall be taken by written ballot delivered prior to the commencement of a meeting, and not by voice or ballot vote at a meeting, unless the Board of Trustees shall have determined that an action must be taken at a meeting. Whenever an action is proposed to be taken by members, and notwithstanding the provisions of subsection (b) and (c) of this Section 5, unless the Board of Trustees shall have determined that the action shall be considered at a meeting, the corporation shall distribute a written ballot to every member entitled to vote on the matter. The written ballots shall be solicited and counted in the manner prescribed by Section 5513 of the California Nonprofit Corporation Law.

SECTION 6. RECORD DATE FOR MEMBER NOTICE, VOTING, GIVING CONSENTS AND OTHER ACTIONS. To Be Determined by Board of Trustees. For the purposes of determining which members are entitled to receive notice of any meeting, to vote, to give consent to corporate action without a meeting, or to take any other action, the Board of Trustees may fix, in advance, the "record date", which shall not be more than sixty (60) nor fewer than ten (10) days before the date of any such meeting. Only members of record on the date so fixed are entitled to notice, to vote, to give consents, or take other action, as the case may be, notwithstanding any transfer of any membership on the books of the corporation after the

record date, except as otherwise provided in the Articles of Incorporation, by agreement, or in the California Nonprofit Corporation Law.

SECTION 7. PROXIES

Voting by proxy is specifically prohibited.

SECTION 8. FUNDAMENTAL ACTIONS

Notwithstanding anything to the contrary contained herein, the following actions ("Fundamental Actions") shall not be implemented unless adopted by the vote of at least sixty percent (60%) of the total number of votes cast by members (provided that a quorum is present or, if the votes are cast by written ballot, that the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action) of the corporation and sixty percent (60%) of the Trustees of the corporation:

- (a) Any sale, lease, conveyance, exchange, transfer, hypothecation, deed of trust, lien or security interest in all or any portion of the corporation's real property, including, without limitation, the current site at 307 Cliff Drive, Laguna Beach, CA (the "LAM site");
- (b) Moving the LAM site to another location outside of Laguna Beach;
- (c) The sale, lease, conveyance, exchange, transfer or other disposition of all or substantially all of the corporation's assets;
- (d) Creating a pledge, security interest, lien or hypothecation of all or a significant portion of the corporation's personal property, including, without limitation, its works of art, but excluding, however, the corporation's endowment and its cash;
- (e) A fundamental restructuring of the corporation, including, without limitation, a reorganization, merger, or partnership with another individual or entity, as well as a dissolution, winding-up or liquidation of the museum;
- (f) Any change of the use of the LAM site from predominantly exhibition purposes; provided, that the use of a portion of the LAM site, in addition to exhibitions, as a museum store, administrative offices, or for a roof top deck/restaurant and related facilities shall be considered as use for "predominantly exhibition purposes."

Notwithstanding anything to the contrary contained in subsection (a), Section 5, Article V, for purposes of determining the members eligible to vote on a Fundamental Action, in addition to any limitations, restrictions or conditions for voting imposed on each class of membership by the Board of Trustees, only members in good standing, which shall include artists who have made donations within the last five (5) years to the corporation, shall be eligible to vote on a Fundamental Action. The Board of Trustees shall call a meeting of the members eligible to vote on a Fundamental Action following the Trustees' vote in favor of the Fundamental Action, which meeting shall be held no sooner than sixty (60) days nor later than ninety (90) days after notice of such meeting is delivered to the members. The notice shall include a proposed ballot together with statements supporting and opposing the Fundamental Action, if any.

ARTICLE VI

TRUSTEES

SECTION 1. POWERS

(a) General Corporate Powers. Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles of Incorporation and these bylaws relating to action required to be approved by the members, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Trustees.

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

- (i) Select and remove all officers, agents, and employees of the corporation; prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these bylaws; and fix their compensation.
- (ii) Subject to Section 8 of Article V, change the principal 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 within or outside of the State of California; and designate any place within or outside the State of California for the holding of any members' meeting or meetings.

- (iii) Subject to Section 8 of Article V, purchase, lease, or otherwise acquire real or personal property, to meet the corporation's purposes.
- (iv) Arrange for the distribution of assets of the corporation on the dissolution of the corporation, consistent with applicable law.
- (v) Subject to Section 8 of Article V, borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

SECTION 2. NUMBER AND QUALIFICATION OF TRUSTEES

The corporation shall have not less than ten (10) or more than forty (40) Trustees.

SECTION 3. ELECTION AND TERM OF OFFICE OF TRUSTEES

Election of Trustees. Trustees shall be elected by the Board of Trustees and shall serve for a term of three (3) years.

SECTION 4. VACANCIES

(a) Events Causing Vacancy. A vacancy or vacancies in the Board of Trustees shall be deemed to exist at any time that the number of Trustees is less than forty (40) trustees.

(b) Removal. Any Trustee who shall absent himself from three (3) consecutive regular meetings without a valid excuse or fails to pay the annual dues commitment established by the Board may lose his or her right to act as a Board member of the corporation and may be removed from office by a majority vote of the remaining Trustees. The validity of an excuse or grounds to excuse a failure shall be determined by the other Trustees.

(c) Resignations. Subject to the provisions of Section 5226 of the California Nonprofit Corporation Law, and except as provided in this paragraph, any Trustee may resign, which resignation shall be effective on giving written notice to the Chairman of the Board, the Secretary, or the Board of Trustees, unless the notice specified a later time for the resignation to become effective. If the resignation of a Trustee is effective at a future time, the Board of Trustees may elect a successor to take office as of the date the resignation becomes effective.

(d) Filling of Vacancies. If at any time there are fewer than ten (10) Trustees, the Board shall elect those additional Trustees as soon thereafter as is reasonably practicable so that there are no fewer than ten (10) on the Board of Trustees. If at any time there are fewer than forty (40) but more than ten (10) Trustees, the Board may elect as many additional Trustees as it chooses up to the maximum number permitted hereunder.

(e) No Vacancy on Reduction of Number of Trustees. No reduction of the authorized number of Trustees shall have the effect of removing any Trustee before the Trustee's term of office expires.

(f) Restriction on Interested Trustees. Not more than forty-nine percent (49%) of the persons serving on the Board of Trustees at any time may be interested persons. An interested person is (i) 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 Trustee as a Trustee, unless prohibited by Section 13 hereunder; and (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

SECTION 5. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE

Regular and special meetings of the Board of Trustees 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. In the absence of such designation, regular meetings shall be held at the principal office of the corporation.

SECTION 6. REGULAR MEETINGS

Regular meetings of the Board of Trustees shall be held without call at such time as shall from time to time be fixed by the Board of Trustees. Such regular meetings may be held without notice.

SECTION 7. SPECIAL MEETINGS

(a) Authority to Call. Special meetings of the Board of Trustees for any purpose may be called at any time by the Chairman of the Board, or any Vice Chairman, the Secretary, or any two Trustees.

(b) Manner of Giving. Notice of the time and place of special meetings shall be given to each Trustee by one of the following methods: (a) personal delivery of written notice; (b) by first-class mail, postage paid; (c) by telephone communication, either directly to the Trustee or to a person at the Trustee's office who would reasonably be expected to

communicate such notice promptly to the Trustee; or (d) facsimile or email. All such notices shall be given or sent to the Trustee's address, fax number, email address or telephone number as shown on the records of the corporation.

(c) Time Requirements. Notices sent by first-class mail shall be deposited into a United States mail box at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile, or electronic transmission, including email, shall be delivered, telephoned, faxed, or electronically transmitted, including by email, at least forty-eight (48) hours before the time set for the meeting.

(d) Notice Contents. The notices shall state the time and place for the meeting. However, it need not specify the purpose of the meeting.

SECTION 8. QUORUM

Forty percent (40%) of the actual number of Trustees shall constitute a quorum for the transaction of business, except to adjourn. Every act or decision done or made by a majority of the Trustees present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Trustees; subject to the provisions of the California Nonprofit Corporation Law, especially those provisions relating to (i) approval of contracts or transactions in which a Trustee has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of Trustees. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Trustees, if any action taken is approved by at least a majority of the required quorum for that meeting.

Notwithstanding anything to the contrary contained herein, sixty percent (60%) of the actual number of Trustees shall be required to approve any Fundamental Action.

SECTION 9. WAIVER OF NOTICE

The transactions of any meeting of the Board of Trustees, 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 Trustees not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Trustee who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

SECTION 10. ADJOURNMENT AND NOTICE OF ADJOURNMENT

A majority of the Trustees present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting 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 time of the adjourned meeting to the Trustees who were not present at the time of the adjournment.

SECTION 11. CONFERENCE CALLS

Members of the Board may participate in a meeting through the use of a conference telephone, or similar communication, so long as all members can participate with the others concurrently, and it meets the other requirements, if any, of Section 5211 of the California Nonprofit Corporation Law.

SECTION 12. ACTION WITHOUT MEETING

Any action required or permitted to be taken by the Board of Trustees may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Trustees. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

SECTION 13. FEES AND COMPENSATION OF TRUSTEES

Trustees and members of committees shall receive no compensation, but may be reimbursed for reasonable expenses, as may be fixed and determined by resolution of the Board of Trustees.

SECTION 14. EX OFFICIO TRUSTEES

Nonvoting ex officio members of the Board of Trustees may be appointed as the Board of Trustees deems appropriate.

SECTION 15. CONFLICTS OF INTEREST

The following procedures shall be followed in connection with action by the Board of Trustees in connection with a transaction involving the corporation and an interested Trustee:

(a) The Trustee's interest in the transaction (whether financial or because of other trusteeship(s) or office(s) held by the Trustee), must be fully disclosed by the interested Trustee to the Board of Trustees.

- (b) The interested Trustee must leave the meeting during the discussion and not vote on any transaction involving the interested Trustee, including any transaction involving the corporation and any other corporation, firm or association in which the interested Trustee is a director, trustee or officer.
- (c) Prior to consummating the transaction, the Board of Trustees (excluding all interested Trustees) must:
- (i) Determine that the transaction will be entered into by the corporation for its own benefit;
 - (ii) Determine that the transaction is fair and reasonable to the corporation;
 - (iii) Determine, in good faith and after reasonable investigation, that the corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; and
 - (iv) Authorize and approve the transaction in good faith by a vote of a majority of the Trustee in office, without counting the vote of the interested Trustee, and with knowledge of the material facts concerning the transaction and the Trustee's interest in the transaction.
- (d) A committee or person authorized by the Board of Trustees may approve a transaction to which the corporation is a party and in which one of its Trustees is an interested Trustee provided that (i) such committee or authorized person approved the transaction in a manner consistent with the procedures described in paragraph (c) hereinabove, (ii) it was not reasonably practicable to obtain the approval of the Board of Trustees (excluding all interested Trustees) prior to entering into the transaction, and (iii) the Board of Trustees (excluding all interested Trustees), after determining in good faith that the standards set forth in paragraph (c) hereinabove were satisfied, ratifies the transaction at its next meeting by a vote of the majority of the Trustees in office, without counting the vote of the interested Trustee.
- (e) An interested Trustee may be counted in determining the presence of a quorum at a meeting of the Board of Trustees.

ARTICLE VII

ELECTION OF TRUSTEES

SECTION 1. NOMINATIONS AND SOLICITATIONS FOR VOTES

- (a) Nominating Committee. Nominations of Trustees shall be made by the Board of Trustees, or a committee appointed by the Board of Trustees.

SECTION 2. VOTE REQUIRED TO ELECT TRUSTEES

Candidates receiving a majority of votes shall be elected as Trustees.

ARTICLE VIII

COMMITTEES

SECTION 1. COMMITTEES OF TRUSTEES

The Board of Trustees may, by resolution adopted by a majority of the Trustees then in office, provided that a quorum is present, designate one or more committees, each consisting of two or more Trustees, to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

- (a) approve any action for which this part also requires approval of the members pursuant to Section 5034 of the California Nonprofit Corporation Law or approval of a majority of all members pursuant to Section 5033 of the California Nonprofit Corporation Law;
- (b) fill vacancies on the Board of Trustees or in any committee which has the authority of the Board;
- (c) fix compensation of the Trustees for serving on the Board or on any committee;
- (d) amend or repeal bylaws or adopt new bylaws;
- (e) amend or repeal any resolution of the Board of Trustees which by its express terms is not so amendable or repealable;
- (f) appoint any other committees of the Board of Trustees;
- (g) expend corporate funds to support a nominee for Trustee after there are more people nominated for Trustee than can be elected; or

(h) except as provided in Section 15(d) of Article VI, approve any transaction (i) to which the corporation is a party and one or more Trustees have a material financial interest; or (ii) between the corporation and one or more of its Trustees or between the corporation or any person or entity in which one or more of its Trustees have a material financial interest.

SECTION 2. MEETINGS AND ACTION OF COMMITTEES

Meeting and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article VI of these bylaws, concerning meetings of Trustees, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board of Trustees and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Trustees or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Trustees. 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 corporate records. The Board of Trustees may adopt rules for the governing of any committee not inconsistent with the provisions of these bylaws.

SECTION 3. EXECUTIVE COMMITTEE

The Executive Committee shall be a standing committee and shall act as the Board of Trustees when the full Board of Trustees is not in session.

Membership of the Executive Committee shall consist of the Chairman of the Board, Secretary and Chief Financial Officer and such other Trustees as the Board of Trustees may designate.

Specific responsibilities of the Executive Committee shall include:

- (a) Review and consolidate material for presentation to the Board of Trustees.
- (b) Act on urgent matters for the Board, communicating when necessary with each Board member when time-urgent matters preclude a meeting of the Board.
- (c) Act as the Personnel Committee of employees of the corporation.

ARTICLE IX

SUPPORTING ORGANIZATIONS

The Board of Trustees may, at its discretion, charter volunteer organizations to assist the corporation in enlarging its membership, increasing its income and to generally develop greater appreciation for the arts in Orange County including Laguna Beach. These organizations shall be under the general supervision of the Board of Trustees, shall be governed by bylaws which shall not be in conflict with these corporate bylaws, and shall be governed by such rules and regulations as may be adopted from time to time by the Board of Trustees of the corporation.

ARTICLE X

OFFICERS

SECTION 1. OFFICERS

The officers of the corporation shall be the Chairman of the Board, a Secretary, and a chief financial officer (which officer shall be designated Treasurer). The corporation may also have, at the discretion of the Board of Trustees, one or more Vice Chairman, one or more Assistant Secretaries, and one or more Assistant Treasurers. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the Chairman of the Board.

SECTION 2. ELECTION OF OFFICERS

The officers of the corporation shall be chosen by the Board of Trustees every two (2) years at a meeting of the Board held in August or September and each shall serve for a term of two (2) years. Should a vacancy arise, the Board of Trustees shall fill that vacancy for the unexpired term.

SECTION 3. REMOVAL OF OFFICERS

Any officer may be removed, with or without cause, by the Board of Trustees at any regular or special meeting of the Board,

SECTION 4. RESIGNATION OF OFFICERS

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

SECTION 5. 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.

SECTION 6. RESPONSIBILITIES OF OFFICERS

(a) Chairman of the Board. The Chairman of the Board shall preside at meetings of the Board and of the members and shall exercise and perform such other powers and duties as may be from time to time assigned by the Board of Trustees or prescribed by the bylaws. The Chairman of the Board shall, subject to the control of the Board of Trustees, generally supervise, direct and control the business and the officers of the corporation. The Chairman of the Board shall be an ex officio member of all committees appointed by the Board.

(b) Vice Chairman. In the absence or disability of the Chairman of the Board, the Vice Chairman(s), if any, in order of their rank as fixed by the Board of Trustees or, if not ranked, a Vice Chairman designated by the Board of Trustees, shall perform all of the duties of the Chairman of the Board, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the Chairman of the Board. The Vice Chairman(s) shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Trustees or the Chairman of the Board.

(c) Secretary. The Secretary shall attend to the following:

- (i) Book of Minutes. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Trustees may direct, a book of minutes of all meetings and action of Trustees, committees of Trustees, and members, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, the number of members present or represented at members' meetings, and the proceedings of such meetings.
- (ii) Articles and Bylaws. The Secretary shall keep or cause to be kept, at the principal executive office, a copy of the Articles of Incorporation and Bylaws, as amended to date.
- (iii) Membership Records. The Secretary shall keep, or cause to be kept, at the principal executive office, as determined by resolution of the Board of Trustees, a record of the corporation's members, showing the names of all members, their addresses, and the class of membership held by each.
- (iv) Notices, seal and other duties. The Secretary shall give, or cause to be given notice of all meetings of the members and of the Board of Trustees required by the bylaws to be given. The Secretary shall keep the seal of the corporation, if any, in safe custody. The secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Trustees or the bylaws.

(d) Treasurer. The Treasurer shall attend to the following:

- (i) Books of Account. The Treasurer 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 accounts of its assets, liabilities, receipt, disbursements, gains, losses, capital retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Trustee at all reasonable times.
- (ii) Deposit and Disbursement of Money and Valuables. The Treasurer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Trustees; shall disburse the funds of the corporation as may be ordered by the Board of Trustees; shall render to the Chairman of the Board and Trustees, whenever they request it, an account of all of the transactions as Treasurer and of the financial condition of the corporation; and shall have other powers and perform such other duties as may be prescribed by the Board of Trustees or the bylaws. The Treasurer may delegate his or her obligation to make deposits to a member or members of the corporation's staff.
- (iii) Financial Statements. The Treasurer shall prepare, or cause to be prepared, the financial statements to be included in the annual report to members. These financial statements shall be audited by an independent certified public accountant appointed by the Board of Trustees, who shall render an opinion in conformance with generally accepted auditing standards.
- (iv) Other Duties. The Treasurer shall in general perform all duties incident to the office of treasurer and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these bylaws, or which may be assigned from, time to time by the Board of Trustees.

(e) Staff. The Board may employ and the officers may delegate such functions as they deem appropriate to a paid staff.

ARTICLE XI

INDEMNIFICATION OF BOARD AND OFFICERS

SECTION 1. DEFINITIONS

For the purpose of this Article,

(a) "agent" means any person who is or was a Trustee or officer of this corporation, or is or was serving at the request of this corporation as a trustee, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise;

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

(c) "expenses" includes, without limitation, all attorneys' fees, costs and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his position or relationship as agent and all attorneys' fees, costs, and other expenses incurred in establishing a right to indemnification under this Article.

SECTION 2. SUCCESSFUL DEFENSE BY AGENT

To the extent that an agent of this corporation has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him, then the provisions of Sections 3 through 5 shall determine whether the agent is entitled to indemnification.

SECTION 3. ACTIONS BROUGHT BY PERSONS OTHER THAN THE CORPORATION

Subject to the required findings to be made pursuant to Section 5, below, this corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding other than an action brought by, or on behalf of, this corporation, or by an officer, Trustee or person granted related status by the Attorney General, or by the Attorney General on the ground that the defendant was or is engaging in self-dealing within the meaning of California Corporations Code Section 5233, or by the Attorney General or a person granted related status by the Attorney General 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 of this corporation, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

SECTION 4. ACTION BROUGHT BY OR ON BEHALF OF THE CORPORATION

(a) Claims Settled. If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of this corporation, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition, or, unless it is settled with the approval of the Attorney General or with court approval, for any expenses incurred in defending against the proceeding.

(b) Claims and Suits Awarded Against Agent. This corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action brought by or on behalf of this corporation by reason of the fact that the person is or was an agent of this corporation for all expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:

- (i) The determination of good faith conduct required by Section 5, below, must be made in the manner provided for in that Section; and
- (ii) Upon application, the court in which this action was brought must determine that, in view of all of the circumstances of the case, the agent should be entitled to indemnity for the expenses incurred. If the agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

SECTION 5. DETERMINATION OF AGENT'S GOOD FAITH CONDUCT

The indemnification granted to an agent in Sections 3 and 4 above is conditioned on the following:

(a) Required Standard of Conduct. The agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner he believed to be in the best interest of this corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in the best interest of this corporation or that he had reasonable cause to believe that his conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that his conduct was unlawful.

(b) Manner of Determination of Good Faith Conduct. The determination that the agent did act in a manner complying with paragraph (a) above shall be made by;

- (i) the Board of Trustees by, a majority vote of a quorum consisting of Trustees who are not parties to the proceeding; or

- (ii) the members by an affirmative vote of a majority of the members represented and voting at a duly held meeting of members at which a quorum is present (which affirmative votes also constitute a majority of the required quorum), with the persons to be indemnified not being entitled to vote thereon; or
- (iii) the court in which the proceeding is or was pending. Such determination may be made on application brought by this corporation or the agent or the attorney or other person rendering a defense to the agent, whether or not the application by the agent, attorney, or other person is opposed by this corporation.

SECTION 6. LIMITATIONS

No indemnification or advance shall be made under this Article, except as provided in Section 2 or Section 5(b)(iii), in any circumstance when it appears;

(a) that the indemnification or advance would be inconsistent with a provision of the articles, bylaws, a resolution of the members, 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 the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

SECTION 7. ADVANCE OF EXPENSES

Expenses incurred in defending any proceeding may be advanced by this 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 is determined ultimately that the agent is entitled to be indemnified as authorized in this Article. The provisions of subdivision (a) of Section 5236 of the California Nonprofit Corporation Law do not apply to advances made pursuant to this Section 7.

SECTION 8. CONTRACTUAL RIGHTS OF NONTRUSTEES AND NONOFFICERS

Nothing contained in this Article shall affect any right to indemnification to which persons other than Trustees and officers of this corporation, or any subsidiary hereof, may be entitled by contract or otherwise.

SECTION 9. INSURANCE

The Board of Trustees may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation against any liability other than for violating provisions against self-dealing asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this corporation would have the power to indemnify the agent against that liability under the provisions of this section.

ARTICLE XII

RECORDS AND REPORTS

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep:

- (a) adequate and correct books and records of account;
- (b) minutes in written form of the proceedings of its members, Board, and committees of the Board;
- (c) a record of its members, giving their names and addresses and the class of membership held by each. All such records shall be kept at the corporation's principal executive office.

SECTION 2. MEMBERS' INSPECTION RIGHTS

(a) Any member of the corporation may inspect the records of members' during usual business hours on five days' prior written demand on the corporation, stating the purpose for which the inspection rights are requested and shall be entitled to receive a list of the names of the other members, but not their addresses or any other contact information, or

(b) Any member of the corporation may inspect the accounting books and records and minutes of the proceedings of the members and the Board and committees of the Board, at any reasonable time, for a purpose reasonably related to such person's interest as a member.

SECTION 3. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS

The corporation shall keep at its principal executive office, the original or a copy of the articles and bylaws as amended to date, which shall be open to inspection by the members at all reasonable times during office hours.

SECTION 4. INSPECTION BY TRUSTEES

Every Trustee 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, if any. This inspection by a Trustee 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.

SECTION 5. ANNUAL REPORT

(a) Not later than one hundred twenty (120) days after the close of the corporation's fiscal year, the Board shall cause an annual report to be prepared. Such report shall contain the following information in reasonable detail:

- (1) The assets and liabilities, including the trust funds, if any, of the corporation as of the end of the fiscal year.
- (2) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (3) The revenue or receipts of the corporation both unrestricted and restricted to particular purposes, for the fiscal year.
- (4) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.
- (5) Any information required by California Corporations Code Section 6322.

(b) The report required by this section shall be accompanied by any report thereon of independent accounts or, if there is no such report, by the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

SECTION 6. AVAILABILITY OF ANNUAL REPORT

If required by the California Nonprofit Corporation Law, the Corporation shall, not later than one hundred twenty (120) days after the close of the corporate fiscal year, publish its annual report in a newspaper of general circulation in Orange County, California, and shall mail such report to any member requesting it in writing.

ARTICLE XIII

CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, 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 the corporation and a natural person.

ARTICLE XIV

OTHER PROVISIONS

SECTION 1. ENDORSEMENT OF DOCUMENTS: CONTRACTS

Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by the Chairman of the Board or any Vice Chairman and the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer of the corporation shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the corporation by any, contract or engagement or to pledge its credit or to render it liable for any purpose or amount.

SECTION 2. REPRESENTATION OF SHARES OF OTHER CORPORATIONS

The Chairman of the Board or any other officer or officers authorized by the Board of Trustees are each authorized to vote, represent and exercise on behalf of the corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the corporation. The authority herein granted may be exercised either by any such officer in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officer.

ARTICLE XV

AMENDMENTS

SECTION 1. AMENDMENT BY TRUSTEES

The Board of Trustees may adopt, amend or repeal bylaws; provided, however, the Board of Trustees may not amend a bylaw provision concerning the following subjects without the approval of the members:

- (a) changing the minimum or maximum number of Trustees beyond the specified limits of the variable number of Trustees set forth in Article VI, Section 2 of the bylaws,
- (b) increasing the terms of Trustees,
- (c) increasing the quorum for members' meetings,
- (d) creating, repealing, restricting, or expanding proxy rights.


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CERTIFICATE OF SECRETARY

I, the undersigned, the duly elected Secretary of LAGUNA ART MUSEUM, a California Nonprofit Public Benefit Corporation, do hereby certify:

That the foregoing amended and restated bylaws consisting of 13 pages were adopted as the bylaws of the Corporation by the Board of Trustees of the Corporation on 13 September 2017 and the same do now constitute the bylaws of the Corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 13th of September 2017.


Jane Hanauer, Secretary