



NORTHERN CALIFORNIA PAINTING & FINISHING CONTRACTORS

OFFICIAL ASSOCIATION BYLAWS

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0. Code of Ethics

A member of the Northern California Painting and Finishing Contractors:

- a. To conduct itself in a manner so that, through example and practice, he or she will tend to have an uplifting influence on the industry;
- b. To faithfully perform all contracts as specified;
- c. To abstain from all unfair methods in competition such as bad faith, deception, bribery, fraud and labor piracy;
- d. To do all things necessary to further a spirit of harmony and cooperation among members of the Association.

1. Association Information

1.1 Name

The name of this corporation is Northern California Painting and Finishing Contractors, Inc.. The corporation shall be referred to herein as “the Association.”

1.2 Principal Office

The principal office for the transaction of the activities and affairs of the Association is located at 55 Oak Court, Suite 100 Danville, California 94526. The Board of Directors may change the location of the principal office of the Association. Any such change must be noted by the Secretary on these Bylaws; alternatively, this Section may be amended to state the new location.

1.3 Purpose

This Association is a non-profit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The purpose of the Association is to promote the general economic welfare of its members and improve the business of painting and finishing contracting by:

- a. Promoting a broader and friendlier relationship among those engaged in the painting industry and for general mutual benefit;
- b. Promoting and developing the painting industry;
- c. Procuring uniformity in materials;
- d. Discouraging unfair competition;
- e. Promoting and maintaining a high standard of business ethics and conduct in dealings among its members, and with others engaged in similar or allied trades;
- f. Furthering positive union-management relations;
- g. Associating and conferring with other bodies for mutual protection;
- h. Engaging in any lawful act or activity for which a corporation may be organized under such law;
- i. Negotiating and administering collective bargaining agreements. To act as collective bargaining agent for member employers in the painting industry in the Northern California area;
- j. Assisting in the prevention and resolution of disputes;
- k. Providing a resource to assist in understanding and complying with labor agreements, various labor and employment laws;
- l. Providing employer representation on labor-management committees and trusts;
- m. Enhancing operating effectiveness and profitability through programs and seminars.

The Association shall exercise and possess all powers, rights and privileges necessary or incidental to the purposes for which the Association is organized or to the activities in which it is engaged, including the right to make and enforce contracts or assert any rights thereunder on behalf of its members acting through the Association, and including any rights, powers and privileges granted by the laws of the State of California to nonprofit corporations. Despite any

other provision of these Bylaws, the Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that do not further the purpose of this corporation.

1.4 Property and Funds

All property and funds of the Association shall be in the name of the Association. There shall be no individual rights in the property belonging to the Association during its existence. Upon the death, withdrawal or expulsion of any member from the Association, he or she shall not be entitled to receive any interest in any of the assets of the Association. The property belonging to and in the name of the Association shall be held in trust by the Board of Directors to be used and administered in accordance with the desires, purposes, and intentions of the Association. On dissolution, all properties and assets remaining after payment of all debts and liabilities shall be distributed to a charitable or nonprofit organization as determined by the Board.

2. Membership

2.1 Classifications

The Association shall be composed of four classes of membership: Active, Active II, Honorary and Associate.

2.2 Active Member

Active membership shall consist of licensed contractor firms whose major business is painting and decorating or other construction-related activities with the primary office within the geographical area of the Collective Bargaining Agreement as defined in Section 2.2.2. Active membership may also be extended to other businesses who employ painters and finishers. Active members shall have the right to vote, as set forth in these Bylaws, on the election of directors, on the disposition of all or substantially all of the assets of the Association, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, those members shall have all rights afforded under the California Nonprofit Mutual Benefit Corporation law.

2.2.1 Rights

Only Active members shall have the right to serve on the Board of Directors. More than one representative or employee designated by an Active member may serve on committees. However, each Active member (firm) shall have only one vote at all meetings.

2.2.2 Collective Bargaining Agreement

Active members must: (1) be bound by a current collective bargaining agreement ("CBA") with the District Council of Painters No. 16 or a successor organization ("Union"); (2) have designated the Association as its representative for collective bargaining purposes with the Union; and (3) have been approved by the Board of Directors. Any Active member who revokes its bargaining authorization from the Association will be notified by the Board of Directors that it will be deemed to have resigned from the Association unless the member re-designates the Association as its collective bargaining representative within fifteen (15) days of the date of notice or within such shorter time period as set by the Board and set forth in the notice.

2.2.3 Dues

Each Active member must pay, within the time and on the conditions set by the Board, the dues, fees and assessments in amounts to be fixed from time to time by the Board. Members shall receive 30 day advance notice of any modification in dues structure.

2.2.4 Approval

An Active member must maintain an account in good standing with the collectively bargained trust funds. An Active member will be deemed in violation of this provision

when it is unable to reach a good-faith settlement of a delinquency dispute within sixty (60) days of receipt of a proposed written resolution from the trust funds following an audit review by the Member and designated trust official(s).

2.3 Active II Member

Active II membership shall consist of union signatory licensed contractors firms whose major business is painting and decorating or other construction- related activities and who have not given collective bargaining authorization to the Association because they are bound to a Master Agreement with the District Council of Painters No. 16 encompassing a geographic area not covered by a Master Agreement to which the Association is a party.

2.3.1 Rights

No Active II member shall have the right to serve on a committee or vote.

2.3.1 Dues

Each Active II member must pay, within the time and on the conditions set by the Board, the dues, fees and assessments in amounts to be fixed from time to time from such members by the Board. Active II members shall receive 30-day advance notice of any modification in dues structure.

2.3.1 Membership Upgrade

Active II member can move to active status when minimum hours are met contributing to the Administration Fund as designated by the Board and items referenced in Section 2.2.2 are completed. The minimum number of hours shall be 500 hours annually.

2.4 Member Exclusion

Any voting member of a labor organization shall not be eligible for membership in the Association.

2.5 Honorary Member

Honorary membership shall consist of owners of union signatory painting and decorating contractors who have retired from the industry.

2.6 Membership Application

Application for membership shall be made in writing on forms provided by the Association. The application shall contain but not be limited to the applicant's name in full and place of business, together with all other information necessary to comply with these Bylaws, and as directed by the Board of Directors. The application of an Active member or Active II member shall contain a provision to the effect that applicant agrees

to be bound by and comply with the provisions of the Bylaws and must be signed by the individual owner or representative of the applicant on behalf of his or her company.

2.6.1 Application Approval

All applications shall be presented to the full Board of Directors by the Director of Labor Relations at the next regular meeting of the Association for approval. The Board may request additional information from the applicant if it feels that such additional information is needed to make an informed decision about membership. Once the Board makes a determination regarding an application, the Secretary will inform the applicant of its membership status.

2.7 No Transfer of Membership

Membership in the Association shall not be transferable or assignable. The exchange of membership in the Association for membership in any association which may result from a merger or consolidation of the Association with one or more other associations shall not be deemed a transfer or assignment.

2.8 Members in Good Standing

Members who have paid the required dues, fees and assessments in accordance with these Bylaws and who are not suspended shall be members in good standing.

2.9 Resignation from Membership

A member may resign its membership in the Association at any time by informing the Secretary of the resignation in writing, return receipt requested. The resignation shall be effective on the last day of the month during which the resignation is received; provided, however, that if a resignation is received after the formal start of negotiations with the Union, the resignation will not be effective until the Association and the Union have ratified and signed a new Master Labor Agreement. A member who has revoked its collective bargaining authorization from the Association will be deemed to have resigned from the Association if the member does not re-designate the Association as its collective bargaining representative within the timeframe set forth in the Notice described in Article 2 Section 2.2.2 of these Bylaws. Upon resignation, expulsion or death of a member, his/her interest in the Association and its property shall cease, and the title thereof shall be vested absolutely in the Association. Active membership shall cease at such time as the Board of Directors determines that the member is no longer actively engaged in activities as set forth in Article 2, Section 2.2.

2.10 Suspension/Termination

A member may be suspended or terminated under the Code of Ethics of these Bylaws based on the good faith belief determination by the Board, or a committee authorized by the Board to make such determination, that the member has failed in a material and serious degree to observe the rules of conduct of the Association or has engaged in conduct materially and seriously prejudicial to the Association's purposes and

interests. Any member who has been suspended shall have no voice or vote in the deliberations of the Association. A suspended member may petition the Board to reconsider his suspension.

2.10.1 Procedure for Suspension or Termination

If grounds appear to exist for suspending or terminating a member under Article 2.10 the following procedures shall be followed:

1. The Board shall give the member at least fifteen (15) days, prior notice of the proposed suspension or expulsion and the reasons for the proposed suspension or termination. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first class or registered mail to the member's last address as shown on the Association's records.
2. The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed suspension or termination. The hearing shall be held, or the written statement considered, by the Board or by a committee or person authorized by the Board to determine whether the suspension or termination should occur.
3. The Board, committee or person shall decide whether the member should be suspended, expelled, or sanctioned in any way. The decision of the Board, committee or person shall be final.
4. Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one year of the expulsion, termination, or suspension.

3. Meeting of Members

3.1 Annual Meeting

An Annual meeting of the members shall be held on a date determined by the Board of Directors. If the scheduled date falls on a legal holiday, the meeting shall be held on the next full business day. The Board shall notify the members of any changes in time and date 30 days prior to the meeting as provided in Article 3.4 of these Bylaws. At the meeting, directors shall be elected, and other proper business may be transacted subject to Sections 3.5, 3.6, 3.7, 3.8, and 3.9.

3.2 Special Meeting

The Board, or the President, or five (5) percent or more of the members may call a special meeting of the members for any lawful purpose at any time.

3.2.1 Calling Special Meetings

A special meeting called by any person entitled to call a special meeting (other than one called by the Board of Directors) shall be called by written or electronic request, specifying the general nature of the business proposed to be transacted, and submitted to the President or any Vice President, or the Secretary of the Association. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, stating that a meeting will be held at a specified date and time fixed by the Board, provided, however, that the meeting date shall be at least thirty-five (35) but no more than ninety (90) days after receipt of the request. If the notice is not given at least twenty (20) days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this section shall be construed as limiting, fixing or affecting the time at which a meeting of members may be held when the meeting is called by the Board.

3.2.2 Proper Business of Special Meetings

No business other than the business stated in said notice shall be transacted during the special meeting.

3.3 Place of Meetings

Meetings of the members shall be held at any place physically, via videoconference or teleconference within or outside California designated by the Board or by written or electronic consent of all members entitled to vote at the meeting, given before or after the meeting. In the absence of any such designation, member's meetings shall be held at the corporation's principal office.

3.4 General Notice Requirements

Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given, under Article 3.4, Section 3.4.2, to each member

entitled to vote at that meeting. The notice shall specify the place, date, and hour of the meeting. For the Annual meeting, the notice shall state the matters the Board, at the time notice is given, intends to present for action by the members. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which Directors are to be elected shall include the names of all persons who are nominees when notice is given.

3.4.1 Notice of Certain Agenda Items

Approval by members of any of the following proposals, other than by unanimous approval of those entitled to vote, is valid only if the notice or written or electronic waiver of notice states the general nature of the proposal or proposals:

1. Removing a director without cause;
2. Filling vacancies on the Board;
3. Amending the Articles of Incorporation; or
4. Electing to wind up or dissolve the Association.

3.4.2 Manner of Giving Notice

Notice of any meeting of members shall be in writing and shall be given at least ten (10) but no more than ninety (90) days before the meeting date. The notice shall be given either personally, electronically, or by first class, registered or certified mail, or by other means of written or electronic communication, charges prepaid, and shall be addressed to each member entitled to vote at the address or email address of that member as it appears on the books of the Association or at the address or email address given by the member to the Association for purposes of notice. If no address or email address appears on the Association's books and no address or email address has been so given, notice shall be deemed to have been given if either is sent to that member by written or electronic communication or notice is provided at least once in in the Association's website or any other form of written or electronical communications provided to the general membership.

3.5 Quorum

A quorum for the transaction of business at any meeting of members, whether in person or by proxy, shall not be less than five (5) Active members of the Association in good standing therein or such lower number of Active members as the Board may set. If, however, the attendance at any general meeting is less than one third of the Active members of the Association, the members may vote only on matters as to which notice of their general nature was given. Except as otherwise required by these Bylaws, the members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, despite the withdrawal of some members to leave less than a quorum, provided that any action taken (other than adjournment) is approved by at least a majority of the number of members that constitutes a quorum.

3.6 Register

At all meetings, each Active member and Active II member shall sign a dated register sheet or be noted during roll call if joining via videoconference or teleconference, which shall be a part of the minutes.

3.7 Address

Upon becoming a member of the Association, each member shall provide the Secretary with the member's mailing address and email address. Said addresses shall be deemed to be the addresses of the member for all purposes until written or electronic notice of change is deposited by the member with the Secretary of the Association.

3.8 Election of Directors

Election of Directors will be held at the Annual meeting of members.

3.9 Rules of Order

Whenever not otherwise provided for, Robert's Rules of Order shall govern meetings of the Association.

4. Voting

4.1 Active Members

Each Active member in good standing shall be entitled to one vote on each matter submitted to a vote of the general membership.

4.2 Active II Members

Active II members shall not be entitled to vote.

4.3 Honorary Members

Honorary members shall not be entitled to vote.

4.4 Manner of Voting

Voting may be by voice or by written or electronic ballot, except that any election of directors, must be by written or electronic ballot if demanded before voting begins by any member at the meeting.

4.5 Approval by Majority Vote

If a quorum is present, the affirmative vote of a majority of the Active members represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the members, unless the vote of a greater number is required by the California Nonprofit Mutual Benefit Corporation Law or by the Articles of Incorporation.

4.6 Waiver of Notice or Consent

The transactions of any meetings of members, however called and noticed, and wherever held, shall be as valid as though taken at a meeting duly held after standard call and notice, if (a) a quorum is present either in person or by proxy, and (b) either before or after the meeting, each person entitled to vote, not present in person or by proxy, signs a written waiver of notice and consent to the holding of the meeting, or an approval of the minutes of the meeting. If action is taken or proposed to be taken for approval of any matter specified in Article 3.4, Section 3.4.1, the waiver of notice, consent or approval shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made part of the minutes of the meeting.

4.6.1 Attendance as Waiver

A member's attendance at a meeting shall also constitute a waiver of and presence at that meeting unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Attendance at a meeting is not a waiver of any

right to object to the consideration of any matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

4.7 Voting by Proxy

Each member (firm) entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the person and filed with the Secretary of the Association. A proxy shall be deemed signed if the member's name is placed on the proxy by the member or the member's attorney-in fact, whether by manual signature, facsimile transmission, electronic or otherwise.

4.7.1 Subject Matter of Proxy to be Stated

Any revocable proxy covering matters for which a vote of the members is required shall not be valid unless the proxy sets forth the general nature of the matter to be voted on. Such matters include amendments to the articles of incorporation; amendments to the articles or bylaws changing proxy rights; removal of directors without cause; filling vacancies on the Board of Directors; the sale, lease, exchange, conveyance, transfer, or other disposition of all or substantially all corporate assets unless the transaction is in the usual and regular course of the Association's activities; the principal terms of a merger or the amendment of a merger agreement; the election to dissolve the corporation; contracts or transactions between the corporation and one or more directors or between the Association and an entity in which a director has a material financial interest; or a plan of distribution of assets other than money to members when the Association is in the process of winding up, when the distribution is not in accordance with liquidation rights of any class or classes.

5. Responsibilities and Obligations of and to Members

5.1 Agreement to Abide by Association Rules and Decisions

Each member agrees to abide by all decisions and rulings of the Board of Directors.

5.2 Membership Dues

The Board of Directors shall determine the amount of membership dues, if any. Each member agrees to pay all membership dues fixed by the Board. The Board may establish a separate dues structure for Active members and Active II members.

5.2.1 Delinquency

Any member refusing or neglecting to pay its membership fee and dues within sixty (60) days after the same are due, shall be deemed delinquent and shall not be entitled to vote or to any of the other privileges of the Association. The Board of Directors may direct that such member may continue to receive the Association services, but the member's right to cast a vote may be restored only upon payment of all monies due. Non-payment of dues and assessments shall constitute grounds for expulsion. Should the Association be required to engage counsel to collect delinquent dues, the Association shall be entitled to recover its reasonable attorney's fees incurred in doing so.

5.2.2 Special Assessment

Each Active member shall pay its pro-rata share of any Special Assessment authorized or levied by a two-thirds vote of the Board of Directors and approved by a two-thirds vote of the Active members of the Association at a regular or special meeting. The notices of such a meeting will indicate that a Special Assessment will be considered at that meeting. If a Special Assessment is thus approved, then the time and manner of its payment shall be fixed by the Board of Directors. ACTIVE MEMBERS ONLY shall be subject to any Special Assessment.

5.2.3 Payment of Dues upon Resignation

Any member of the Association who is in good standing may resign from membership with 30-day notice by written or electronic resignation transmitted return receipt requested to the Executive Director or Chief Executive Officer. The resignation shall include a check for payment of all outstanding dues and special assessments. The resignation shall be effective on the last day of the month during which the resignation is received. All interest, if any, of the resigning member in the funds and/or assets of the Association shall be terminated upon the effective date of the resignation. The Association shall carry out necessary measures to collect outstanding dues.

5.3 Timely Notice

The Association will provide timely notification to all Active members prior to any opening of CBA negotiated by the Association for the purpose of extending or changing it in any manner.

5.4 Liability

No member shall be personally liable to creditors of the Association.

6. Board of Directors

6.1 Make Up of Board

The Board of Directors shall be comprised of up to twelve (12) Directors elected at large by the members, up to six (6) Alternate Directors, and the immediate Past President. Each member of the Board of Directors shall be an employee, owner, or an individual designated by the employer of an Active member in good standing with the Association.

6.2 Term of Office

Board members shall be elected each year at the Annual meeting of the members. Each Director shall serve a three-year term commencing the first day of November following the Annual meeting at which he or she is elected, or until a successor is elected. A member shall serve no more than three consecutive terms.

6.3 Alternate Directors

The Association may elect up to six (6) Alternate Directors. The Alternate Directors shall be employees or owners of Active members in good standing with the Association. The Alternate Directors shall be nominated and under the same guidelines as regular Board members. These Alternate Directors shall be elected each year at the Annual meeting and their terms of office shall be for three years commencing on the first day of November following the Annual meeting at which they were elected, or until their successors are elected. Alternate Directors may attend meetings of the Board of Directors but shall be entitled to vote only in the event that a quorum of the Board is not present. In the event of a vacancy on the Board, the Board shall select one of the Alternate Directors to fill the vacancy for the remainder of the term.

6.4 Past President

Each immediate Past President shall serve as a member of the Board of Directors for an additional period equal to the term of office of his/her successor even if his or her term as a Director has expired. During this term he/she shall have the same voting rights and privileges as a duly elected Board member. In the event both the President and Vice Presidents are absent from a meeting, the Past President shall preside.

6.5 Powers and Authority of Board

Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and subject to any limitations of the Bylaws regarding actions that require approval of the members, the Association's activities and affairs shall be managed, and all corporate powers shall be exercised, under the direction of the Board of Directors. The Board shall have full power to:

- a. Act and to bind the Association;
- b. Control the Association's property;
- c. Progress the business related to collective bargaining decisions;
- d. Conduct the Association's affairs in all ways in all matters not specifically forbidden by the Articles of Incorporation, these Bylaws, or the laws of the State of California;
- e. Recommend rules and regulations to supplement these Bylaws, to be approved by a majority of the Active members entitled to vote at a regularly scheduled meeting of the Active membership;
- f. Employ such assistance as the Board may require; and
- g. Do such other acts necessary to conduct the affairs of the Association in a proper lawful manner.

6.6 Nominations

The President shall appoint four (4) Directors to serve on the Northern California Allied Trades (NCAT) Governance Committee to nominate qualified candidates for election to the Board, qualified candidates for office, and qualified candidates for representatives on the NCAT Board. The committee shall make its report of qualified candidates who have consented to be nominated at least thirty (30) days before the date of the election or at such other time as the Board may set. The Secretary shall forward to each member with the notice of meeting required by these Bylaws, a list of all candidates nominated by the committee.

6.6.1 Nominations by Members

Any member may nominate a candidate(s) for Director by providing the Secretary with a written request to nominate at least thirty (30) days preceding the election. On timely receipt of the request, the Secretary shall cause the names of the candidate(s) named in the request to be placed on the ballot along with the names of the candidates chosen by the NCAT Governance committee. Nominations from the floor on the date of the Annual meeting will be accepted only when accompanied by petition with no less than ten member signatures.

6.7 Election of Directors

Directors and Alternates shall be elected at the Annual meeting of members. However, if Directors are not elected at an Annual meeting, they may be elected at any special members' meeting held for that purpose. All elections shall be by ballot or electronic voting, including email, and those members receiving the highest votes for the office shall be declared elected. Each Director, including a Director elected to fill a vacancy shall hold office until expiration of the term for which elected and until a successor is elected and qualified. Each Active member is entitled to one vote for each vacancy. There shall not be cumulative voting.

6.8 Organizational and Regular Meetings of the Board

Immediately after each meeting of the members, the Board shall hold a general meeting for purposes of organization, election of officers and other business. Notice of this meeting is not required. Thereafter, the Board shall meet Quarterly on the third Thursday of each month beginning with November, or upon the call of the President or of any four (4) Directors in writing or electronic communication to the Executive Committee. Regular quarterly meetings of the Board may be held without notice at the Association office unless otherwise designated in previous board meeting minutes, in writing or electronic communication to the Board.

6.9 Special Meetings of the Board

Special meetings of the Board of Directors may be called at any time by the President or any three (3) Directors. Notice of the time and place of special meetings shall be given to each Director by either: (1) written notice sent first class mail sent at least four (4) days prior to the date of the meeting or (2) personal, electronic or telephonic notice given at least 48 hours prior to the meeting. Written, electronic, or printed notice of the place, day and hour of the meeting, as established by the Board of Directors, shall be mailed or electronically delivered to the members thereof at least three (3) days prior to the date such meeting is to be held.

6.10 Meeting by Conference Call

Members of the Board of Directors may participate in a meeting by means of conference telephone, video teleconference or similar communications equipment whereby all Board members participating in the meeting can hear and/or see each other. Participation in a meeting in such manner shall constitute presence in person at such meeting. Approval by a majority of the Board members participating in the meeting shall constitute official action.

6.11 Quorum

Five (5) Directors shall constitute a quorum of the Board of Directors for all purposes. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be an act of the Board, subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, the provisions on: (1) approval of contracts or transactions between the Association and any entity in which a Director has a material financial interest; (2) creation of and appointments to committees of the Board; and (3) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some Directors, provided that any action taken, or decision made is approved by at least a majority of the required quorum for that meeting.

6.12 Action Without Meeting

Any action that the Board is required or permitted to take may be taken without a meeting if a quorum of Board members consent in writing (including by facsimile or

email) to the action. Such action by written consent shall have the same force and effect of any other validly approved Board action. All such consents shall be filed with the minutes of the proceedings of the Board.

6.13 Bond

All officers and the Executive Director or Chief Executive Officer of the Association shall be immediately and automatically covered by a blanket position surety bond in an amount approved by the Board of Directors, and the expense of such bond shall be borne by the Association.

6.14 Vacancy

A vacancy or vacancies on the Board of Directors shall occur upon (1) the death or written or electronic resignation of any Director; (2) the declaration by Board resolution of a vacancy in the office of a Director who has been declared of unsound mind by a court order, convicted of a felony, or, if the Association holds assets in charitable trust, found by a final order or judgment of any court to have breached a duty arising under California Corporations Code Section 7238; (3) the vote of the members or, if the Association has fewer than fifty (50) members, the vote of a majority of all members, to remove any director; (4) an increase in the authorized number of Directors; or (5) a failure of the members, at any meeting of members at which any Director or Directors are to be elected, to elect the number of Directors required to be elected at that meeting.

6.15 Filling Vacancies

Except for a vacancy created by a removal of a Director by the members, a vacancy on the Board shall be filled by an Alternate Director approved by the Board for the unexpired portion of the term created by the vacancy or, if the number of directors then in office is less than a quorum, by (1) unanimous written consent of the Directors then in office, (2) the affirmative vote of a majority of the Directors then in office at a meeting held according to notice or waivers of notice pursuant to Corporations Code Section 7211, or (3) a sole remaining director. The members may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors.

6.16 Compensation

Directors may receive such compensation for their services as Directors or officers, and such reimbursement of expenses, as the Board may establish by resolution to be just and reasonable to the Association.

6.17 Board Member Attendance

An elected Board Member ~~who is absent from three (3) consecutive regular meetings of the Board during a fiscal year shall be encouraged to reevaluate with the Board President his/her commitment to the Association. The Board may deem a Board member who has missed three (3) consecutive meetings without such a reevaluation~~

with the President to have resigned from the Board is allowed one unexcused absence.
Any excused absences must be sent to the CEO prior to the meeting.

7. Powers and Duties of Officers

7.1 Association Officers

The officers shall consist of a President, 1st and 2nd Vice Presidents, Secretary, a Chief Financial Officer, and Sergeant at Arms, each of whom shall be an Active member in good standing, who shall have been elected at the Annual meeting of the members. Qualified officers shall be chosen by the nominating committee at the same time as Director nominations and shall serve at the pleasure of the Board. The several officers and the Chairman of any committees shall be responsible to the President for the proper and faithful discharge of their duties, and shall make reports to him or her regarding the business of the Association under their charge, as the President may, from time to time, require. Their terms of office shall commence on the first day of November and shall be for three years or until their successors are elected and have qualified. A member shall serve no more than three consecutive terms in the office of President.

7.2 Duties of President

It shall be the duty of the President to exercise general supervision over all of the affairs of the Association. The President shall preside at all meetings of the Association and of the Directors. He/she shall enforce all provisos of the affairs of the Association and these Bylaws and decide questions of order. The President shall call special meetings of the members of the Association as stipulated in these Bylaws. He/she shall be an ex- officio member of any committees and shall carry out duties customarily performed by a President. The President shall execute all bonds, contracts or other instruments required to be made or executed on behalf of the members and of the Board of Directors, shall appoint any and all committees he or she deems appropriate and necessary, and consult with the Directors on all committee appointments.

7.3 Duties of Vice Presidents

It shall be the duty of the Vice Presidents to aid the President in the discharge of his or her duties. The 1st Vice President shall be the Chairman of the Ways, Means and Budget Committee if such a committee is created. The 1st Vice President shall perform the duties of the President in his or her absence, or when for other reasons the President is unable to act. In the event that neither the President nor the 1st Vice President is available or otherwise able to act, the 2nd Vice President shall perform the duties of President. In the event of the death, resignation, removal, or permanent disability of the President, the 1st Vice President shall immediately succeed to the Office of President.

7.4 Duties of Secretary

In the absence of an Executive Director or Chief Executive Officer, hereinafter provided for, the Secretary shall attend all meetings of the members and of the Board of

Directors. The Secretary shall keep, or cause to be kept, a true and fair record of the proceedings of the meetings of the members and of the Board of Directors, in the Association files or other recordkeeping tools provided for that purpose and see that all notices required hereunder are served in accordance with the provisions of these bylaws. The Association shall have custody of the corporate logo and shall attach the same to all notarized documents which require a logo and shall attest to all documents executed by the President.

7.5 Duties of Chief Financial Officer

The Chief Financial Officer, who shall be referred to herein as the “Treasurer,” shall act as a financial agent for the Association, for the receipt and disbursement of its funds. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Association’s properties and transactions. The Treasurer shall keep all funds of the Association with such banks as may be prescribed by the Board of Directors. He or she shall make reports, in writing or electronically, at least once annually, of the financial condition of the Association, and shall cause to be prepared and filed any and all reports required by law. The Treasurer shall cause all vouchers or orders paid by the Association to be filed and properly preserved, and his or her books and papers shall, at all times, be open for inspection by the Board of Directors. The Treasurer shall be a member of the Ways, Means and Budget Committee if such a committee is created.

7.6 Duties of Sergeant at Arms

The Sergeant at Arms shall take charge of the door at all meetings, see that no one enters except members and others who have been invited, or who have special permission, and see that no one withdraws from the meeting room without permission of the presiding officer. The Sergeant at Arms shall assist the President in keeping order and shall perform such other duties as are directed by the Board of Directors.

7.7 Removal of Officer

Without prejudice to rights of any officer under an employment contract, the Board may remove any officer whenever in the judgment of the Board, the best interests of the Association would be served thereby.

7.8 Vacancy of Officer

In the event an officer position becomes vacant the Board shall hold an election at the next scheduled board meeting, notifying all Board Members prior to the meeting.

7.9 Executive Committee

The President, 1st Vice President, 2nd Vice President, Treasurer and Executive Director or Chief Executive Officer shall comprise the Executive Committee. The committee may invite the immediate Past President to serve as an Executive Committee member. The Executive Committee shall address and make decisions on behalf of the Board of Directors regarding the following matters:

1. Association Personnel matters
2. Internal Board disputes

7.9.1 Executive Committee Meetings

The Executive Committee shall meet on an as-needed basis as determined by the President. At each Board meeting, the President will provide a summary of matters addressed, decisions reached, and action taken by the Executive Committee since the last Board meeting. The Executive Committee shall not be authorized to act on behalf of the Board of Directors on any matter other than those matters set forth in Article 7, Section 9 of these Bylaws.

7.10 Executive Director or Chief Executive Officer

In addition to the forgoing, the Board of Directors may, with the approval of a majority of the voting members, employ an Executive Director or Chief Executive Officer who need not be a member of the Association, at such salary and upon such terms as is approved by the members. It shall be the duty of the Executive Director or Chief Executive Officer to attend all meetings of the members, the Board of Directors, and any other meetings as authorized or required by the President or the Board and make a record of all proceedings held at such meetings, and further to do and perform all other duties as the Board of Directors may from time to time determine. The Executive Director or Chief Executive Officer shall be responsible for the quarterly financial report for the Board's review, including statements showing all of the Association's income and expenditures during the previous quarter and a summary of all outstanding bills and invoices. The Executive Director or Chief Executive Officer shall also be responsible for the receipt and deposit of all monies paid to the Association.

7.11 Expenditures

All expenditures on behalf of the Association, or out of the Association funds, approved by the Board of Directors, shall be in the form of a check or withdrawal order drawn and issued in the name of the Association, bearing the signature of any of the following officers of the Association; the President, 1st Vice President, 2nd Vice President, Chief Financial Officer, or the Executive Director or Chief Executive Officer.

8. Best Practices

8.1 Good Governance and Board Service

The Board of Directors shall serve as leaders in attendance and maintain best practices for good governance in Board leadership. Directors shall leave behind self- and company-interest in favor of focusing on the best interest of the Association as a whole. Directors shall maintain and uphold the code of ethics and respect the group process and input by promoting positive outcomes. Directors shall be prepared for meetings and participate with a significant level of commitment.

8.1.1 President and Chairman

The President and/or Chairman shall serve as facilitator in addition to providing input into meeting discussions and take charge of the meeting process from beginning to end. The President and/or Chairman shall keep Directors on track during meetings by keeping to the agenda and focus on policy, promoting uniform participation, moderating dominant personalities, and prompting decision-making.

8.1.2 Executive Director or Chief Executive Officer

The Executive Director or Chief Executive Officer of the Association shall take charge of operations and policy execution to serve the policy needs of the Association. He or she shall be included and provide input in Board discussion and strategy development. The Executive Director or Chief Executive Officer shall oversee policy details and staff progress to keep the Board of Directors focused on decision-making.

8.1.3 Board Meetings

An agenda shall be sent no less than seven (7) calendar days prior to a scheduled Board of Directors meeting, which the Board shall review for approval at the meeting.

9. Labor Relations

9.1 Authority of Association

The Association is authorized to adopt and put into practice policies, programs, and procedures that will effectively represent the interests of its members in collective bargaining and contract administration on a multi-employer or coordinated basis. All contractors who are now or who hereafter become members of the Association authorize the Association to negotiate and execute collective bargaining agreements on their behalf with District Council 16 International Union of Painters and Allied Trades (the "Union"). Members of the Association further agree not to engage in individual negotiations with representatives of the Union and agree not to make statements to the Union or the public which are inconsistent with, or which may tend to undermine, the collective bargaining positions taken by representatives of the Association.

9.2 Negotiations

In order to preserve the integrity of the multiemployer bargaining unit, each member of the Association agrees to regard a strike or picketing against one or more members of the Association as a strike against all members of the Association. Each member further agrees to take all actions directed by the Association in connection with the collective bargaining negotiations or any labor dispute, including but not limited to, suspending operations, locking out employees or operating under strike conditions.

Sufficiently prior to the expiration of a collective bargaining agreement, the Association President shall select a Negotiation Committee to represent the members of the Association. The President shall take into account the geographic locations and market segments of its members in selecting a Negotiation Committee. The Negotiation Committee chair shall be selected by the Board and will be based on experience and relationships that maximize the likelihood of a successful negotiations outcome.

9.2.1 Member Input

Prior to the commencement of negotiations, the Negotiation Committee will formally seek input from the entire Active membership of the Association regarding matters subject to negotiations with the Union.

9.2.2 Board Approval

The Negotiation Committee shall negotiate a tentative collective bargaining agreement on behalf of the Association. Once the Negotiation Committee has negotiated a tentative collective bargaining agreement it shall present the tentative agreement to the Board of Directors which shall either approve or reject the agreement. Should the Negotiation Committee negotiate a proposed collective bargaining agreement that includes a last best and final offer, the Committee will not be required to present it to the Board of Directors for approval or rejection.

9.2.3 Communication to Members

After approval of a collective bargaining agreement by the Board of Directors, a special communication shall be sent about details summarizing the outcome of negotiations to membership via any means that the Board determines from time to time.

9.3 Interim Agreements

Each member of the Association recognizes and expressly agrees that it will not enter into, nor attempt to negotiate, any interim agreement with the Union, which agreement establishes terms and conditions of employment, pending the outcome of the negotiations between the Association and the Union. Each member recognizes and expressly agrees that such interim agreements would cause irreparable harm and fragmentation of the Association, and, therefore, each member hereby expressly and unequivocally waives any right which it may have under the National Labor Relations Act to negotiate or enter into such interim agreements.

Any dispute regarding a Member's execution of an interim agreement or unauthorized withdrawal from NCPFC during ongoing collective bargaining shall be referred to the National Labor Relations Board (NLRB) as the exclusive forum for adjudication. This Section supersedes any provision in these Bylaws or any other agreement that may suggest otherwise. However, nothing in this Section shall be construed as a waiver of NCPFC's right to pursue a civil action for breach of contract in a court of competent jurisdiction for claims arising under these Bylaws that are not subject to the exclusive jurisdiction of the NLRB, including the enforcement of membership obligations, assessment of liquidated damages (such as defined in Section 9.3 herein), or other contractual remedies. If any member of the Association violates any of the promises or undertakings set forth in this Article, the Association may obtain injunctive relief from a court of competent jurisdiction. If the Association prevails in any such legal proceeding, the member against whom the injunction is entered shall pay the costs, expenses and reasonable attorneys' fees incurred by the Association in prosecuting such an action.

9.4 Liquidated Damages for Unauthorized Interim Agreements

Any Member who, in violation of these Bylaws and without timely resignation in accordance with Article 2.8, executes an interim agreement with the Union establishing terms and conditions of employment pending negotiation of a master labor agreement, shall be liable to NCPFC for liquidated damages.

These damages shall be calculated at \$25.00 per hour worked by any employee covered under the unauthorized interim agreement for the duration of such agreement. This provision is intended to represent a reasonable estimate of the harm to NCPFC's collective bargaining posture and is not a penalty.

Members agree to this provision as a condition of membership and acknowledge that actual damages from such conduct would be difficult to ascertain with precision.

In addition to the Association's right to obtain injunctive relief, the Association may submit to arbitration, in accordance with the applicable arbitration rules of JAMS (Judicial Arbitration and Mediation Services), any claim that it and/or the individual

~~members of the Association have suffered damages as a result of the actions of the defaulting member. For this purpose, each member of the Association hereby assigns to the Association all rights to recover damages as a result of the actions of the defaulting member of the Association. The arbitrator shall have the authority to determine the amount of damages suffered by the Association and each member of the Association. If the defaulting member is ordered to pay damages to the Association and/or its individual members, the Association shall also recover its costs, expenses and reasonable attorneys' fees incurred in the arbitration proceeding.~~

10. Membership File and Association Logo

10.1 Membership File

The Association shall keep a membership file containing the name and address of each member, and in any case where membership has been terminated, such fact shall be recorded in the file together with the date on which the membership ceased.

10.2 Logo

This organization shall have a logo consisting of the words, "Northern California Painting and Finishing Contractors" or "NCPFC".

11. Insurance

The Association shall have the right and shall use its best efforts to purchase and maintain insurance to the fullest extent permitted by law on behalf of its officers, Directors, employees and other agents, to cover any liability asserted against or incurred by any officer, Director, employee or other agent in such capacity or arising from the officer's, Director's, employee's or other agent's status as such.

12. Indemnification

12.1 Indemnification

To the fullest extent permitted by law, the Association shall indemnify its Directors, officers, employees and other persons described in Corporations Code Section 7237(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding", as that term is used in that Section, and including an action by or in the right of the Association, by reason of the fact that the person is or was a person described in that Section. "Expenses" as used in this Bylaw shall have the same meaning as in that Section of the Corporations Code.

12.2 Authorization of Indemnification

On written request to the Board by any person seeking indemnification under Corporations Code Section 7237(b), the Board shall promptly decide under Corporations Code Section 7237(e) whether the applicable standard set forth in Corporations Code Section 7237 has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification, because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly call a meeting of members. At that meeting, the members shall determine under Corporations Code Section 7237(e) whether the applicable standard of conduct has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

12.3 Advancement

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Article 12 of these Bylaws in defending any proceeding covered by Article 12 shall be advanced by the Association before final disposition of the proceeding, on receipt by the Association of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Association for those expenses.

13. Amendments

13.1 Proposal

Any Active member desiring an amendment to the Bylaws shall make such a proposal to that effect by filing a copy of the suggested amendment with the Secretary.

13.2 Recommendation by Directors

Thereupon, such proposal shall be taken up at the next regular meeting of the Board of Directors. The Board of Directors shall vote on the same either at the said regular meeting, or the next thereafter as dictated by vote of the Board. The Board of Directors shall recommend either its adoption or rejection to the Association.

Notice of said amendment shall be immediately sent out to every member, stating that such a proposal is on file with the Secretary, giving a summary thereof, and stating that the same has met with the approval or rejection of the Board of Directors, either as originally proposed or amended, and further, that the question of the adoption of the proposal will come up at the next regular meeting, or at a special meeting as specified in the notice. At either the Directors' meeting or the meeting of the Association, amendments may be made to the proposal which do not change the subject matter thereof. No further or additional notice need be given as to such amendment to the proposal, but the same may be forthwith voted upon.

13.3 Adoption by Members

At such regular or special meeting, the proposal will become adopted if approved by two-thirds of those Active members attending such a regular or special meeting, provided, however, that such adoption, amendments, or repeal also requires approval by the members of a class if that action would:

1. Materially and adversely affect the rights, privileges, preferences, restrictions, or conditions of that class as to voting, dissolution, redemption, or transfer in a manner different than the action affects another class;
2. Materially and adversely affect that class as to voting, dissolution, redemption, or transfer by changing the rights, privileges, preferences, restrictions, or conditions of another class;
3. Increase or decrease the number of memberships authorized for that class;
4. Increase the number of memberships authorized for another class;
5. Effect an exchange, reclassification, or cancellation of all or part of the memberships of that class; or
6. Authorize a new class of memberships.

Any provision of these Bylaws that requires the vote of a larger proportion of the members than otherwise is required by law may not be altered, amended, or repealed

except by vote of that greater number. No amendment may extend a Director's term beyond that for which the Director was elected.