

**BYLAWS OF
CALIFORNIA TOW TRUCK ASSOCIATION**



**BYLAWS
OF
CALIFORNIA TOW TRUCK ASSOCIATION, INC.
*A California Nonprofit Mutual Benefit Corporation***

ARTICLE 1: NAME

Section 1.1 Name. The name of this corporation is the CALIFORNIA TOW TRUCK ASSOCIATION, INC., hereinafter referred to as the "Association" for the purposes of these Bylaws.

ARTICLE 2: PURPOSES

Section 2.1. Organization. The Association is a nonprofit mutual benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Mutual Benefit Corporation Law and is organized for the purposes set forth in Internal Revenue Code section 501(c)(6) or the corresponding provision of any future United States internal revenue law.

Section 2.2. Specific Purpose. The specific purpose of the Association is to promote professional towing and emergency road service through education, training and public advocacy.

Section 2.3. Compliance with Internal Revenue Code. The Association shall hold, and may exercise, all such powers as may be conferred upon a nonprofit corporation by the laws of the State of California and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the Association. Notwithstanding any other provision in 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 the Association, and the Association shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Internal Revenue Code section 501(c)(6) or the corresponding provision of any future United States internal revenue law.

ARTICLE 3: PRINCIPAL OFFICE

Section 3.1. Principal Office. The principal office shall be located in the city designated by the Board of Directors.

Section 3.2. Other Offices. The Board of Directors may at any time establish branch offices at any place where the Association is qualified to do business.

ARTICLE 4: MEMBERSHIP

Section 4.1. Regular Membership. The Association shall have one class of voting members referred to herein as regular members. Any person, including an individual or

organization, that engages in the business of towing, including providing emergency road service, and subscribes to the purposes and basic policies of the Association, and whose admission will contribute to the Association's ability to carry out its charitable purposes, shall be eligible for regular membership on approval of the membership application by the Board and on timely payment of such dues and fees as the Board may fix from time to time. No person shall hold more than one membership. The application shall be filed by the applicant as an individual, by a partner as a partnership, and if a corporation, by an officer duly authorized to so act. An application, when accepted, shall constitute a contract between such regular member and the Association, whereby the regular member shall agree, if admitted to regular membership, to comply with, support and maintain all rules and regulations of the Association which are not in conflict with the law or with rates or rules and regulations established by any governmental regulatory body. Each regular member that is not a natural person shall designate one individual, filed with the Association, to serve as its Association representative. An individual may not serve as a designee for more than one member.

Section 4.2. Rights of Regular Membership. Regular members in good standing shall have the right to vote on the election of directors consistent with Article 5, the disposition of all or substantially all of the Association's assets, any merger and its principal terms and any amendment of those terms, any election to dissolve the Association and such other matters as set forth in these Bylaws and under the California Nonprofit Mutual Benefit Corporation Law (the "Law"). In addition, members shall have all rights afforded members under the Law and these Bylaws. The Association may benefit, serve, or assist persons who are not members, but may restrict the provision of certain benefits, services, and assistance to members. A corporate member may designate in writing the name or position of the individual entitled to vote or exercise its rights and to receive notices on behalf of the member. The member may amend such designation at any time, and all such designations and amendments thereto shall be filed with the records of the Association.

Section 4.3. Other Persons Associated with the Association. The Association may refer to persons associated with it as "members," even though those persons do not meet the qualifications for membership as set forth in section 4.1 of these Bylaws, but no such reference shall constitute anyone a member within the meaning of section 5056 of the California Corporations Code. The Board of Directors of the Association may grant some or all of the nonvoting rights of members to any person that does not have the right to vote on any of the matters submitted to a vote of the members, but no such person shall be a member within the meaning of section 5056 of the California Corporations Code. The Board may establish various types and descriptions for such persons identified in this section through a policy.

Section 4.4. Dues, Fees, and Assessments. Each member as described in Article 4, sections 4.1 and 4.3, 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. Those members who have timely paid the required dues, fees, and assessments and who are not suspended shall be members in good standing.

Section 4.5. Termination of Membership. A membership shall terminate on occurrence of any of the following events:

- (a) Resignation of the member, on reasonable notice to the Association;
- (b) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board;
- (c) Failure of the member to pay dues, fees, or assessments as set by the Board within sixty (60) days after they become due and payable will result in an immediate suspension until paid in full. In the event the dues, fees, or assessments are not paid in full within thirty (30) days after the suspension has commenced, the membership shall be terminated and be ineligible for renewal for a period of one (1) year;
- (d) Occurrence of any event that renders the member ineligible for membership, or failure to satisfy membership qualifications; or
- (e) Expulsion of the member under section 4.7 of these Bylaws based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a 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 purposes and interests of the Association.

Section 4.6. Suspension of Membership. A member may be suspended under section 4.7 of these Bylaws, based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the Association's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Association. A person whose membership is suspended shall not be a member during the period of suspension.

Section 4.7. Procedure for Expulsion or Suspension. If grounds appear to exist for expulsion or suspension of a member under Article 4 of these Bylaws, the procedure set forth below shall be followed:

- (a) The member shall be given fifteen (15) days' notice, by any method reasonably calculated to provide actual notice, of the proposed expulsion or suspension and the reasons therefore. Any notice given by mail shall be sent by first-class, registered, or certified mail to the member's last address as shown on the Association's records.
- (b) 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 expulsion or suspension. 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 expulsion or suspension should take place.

(c) The Board, committee, or person shall decide whether or not the member should be suspended, expelled or sanctioned in some other way.

(d) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice, must be commenced within one (1) year after the date of the expulsion, suspension, or termination.

Section 4.8. Transfer of Membership. No membership or right arising from membership shall be transferred. All membership rights cease on the member's death or dissolution or termination of membership pursuant to Article 4 of these Bylaws.

Section 4.9. Liability for Debts or Obligations. A member of the Association is not, as such, personally liable for the debts, liabilities, or obligations of the Association.

Section 4.10. Place of Meeting. Meetings of the members shall be held at any place within or outside California designated by the Board of Directors. In the absence of any such designation, members' meetings shall be held at the Association's principal office.

Section 4.11. Annual Meeting. An annual meeting of members shall be held on such date and at such time as may be fixed by the Board. There will be no mandatory rule for location of the annual meeting. Any proper business may be transacted at the annual meeting.

Section 4.12. Quorum. Two percent (2%) of the voting power shall constitute a quorum for the transaction of business at any meeting of members, provided, however, that if any regular meeting is actually attended in person by less than one-third (1/3) of the voting power, the only matters that may be voted on are those of which notice of their general nature was given pursuant to California Corporations Code section 7511. Subject to the foregoing, the members present at a duly called or 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, or such greater number as required by the Articles of Incorporation, these Bylaws, or the Law.

Section 4.13. Proxies. Each member entitled to vote may do so only in person. Voting rights may not be exercised by proxy.

ARTICLE 5: VOTING DISTRICTS

Section 5.1. Voting Districts. Each member of the Association shall belong to a geographical Voting District that elects a representative(s) on the Board of Directors. All members shall be placed in the Voting District that is nearest the applicant's principal place of business. A Voting District is not a Chapter.

Section 5.2. Voting District Establishment. The Board shall establish all geographical Voting Districts based upon a fair and equitable distribution of the general population. Upon a petition by ten or more regular members, the Board may establish a new Voting District or redraw the district boundaries of an existing Voting District.

Section 5.3. Voting District Election and Removal of Directors. Each Voting District shall elect its representative to the Board of Directors on or before December 1st of each even numbered year through a voting procedure determined by the Board to maximize voter participation. Every Director must be a member in good standing under section 4.4 upon election and until the expiration of the term for which elected. Should the Voting District fail to elect a representative during any election, a subsequent election shall immediately take place. In the event that no representative is elected during the subsequent election, the Board shall appoint by a majority vote of those present and voting any member in good standing as the Voting District representative until the expiration of the term.

The number of directors allocated to each Voting District shall be calculated as follows:

- (a) No less than 60 days prior to any election, the Executive Director shall calculate the total number of members statewide, and divide the number 38 by the number of members statewide. This factor will be published on the Association website and disseminated to each Voting District.
- (b) Each Voting District shall multiply their total number of dues paying members by the factor established in paragraph (a) of this section. The result shall be carried out to two decimal places. The number to the left of the decimal point of the Voting District Calculation shall be the number of Directors to which the Voting District is entitled. The numbers to the right of the decimal point shall be the Voting District Decimal Calculation. EXAMPLE: If there are 1000 members statewide, the Executive Director shall divide 38 by that number. $38/1000 = .038$. Each Voting District then uses that factor to calculate their Voting District Calculation. If a Voting District has 55 members, then they multiply $55 \times .038 = 2.09$. The Voting District Calculation would be 2.09. The Voting District would be entitled to 2 Directors. The Voting District Decimal Calculation would be .09.
- (c) The Board shall have discretion to award up to 5 additional Director seats based on value of the Voting District Decimal Calculation. If the Board elects to award additional seats, it shall award 1 additional seat to each of the five Voting Districts with the highest decimal values in their Voting District Calculation. However, in no event shall an additional seat be awarded to any Voting District with a decimal value lower than .50

In addition to the provisions of section 7.5, any Director may be removed, either with or without cause, by a majority vote of the regular members of the Voting District that the Director represents. A vote to remove a Director under this section may be initiated by a Board-approved petition submitted by ten or more regular members of the Voting District.

ARTICLE 6: CHAPTERS

Section 6.1. Board Direction and Control. All Chapters of the Association shall be subject to the ultimate direction and control of the Board of Directors. The Board of Directors may establish and enforce such regulations as it may deem necessary for the conduct of all Chapters. The Board may suspend or terminate a Chapter for noncompliance with the Articles, these Bylaws, or other policy or rule enacted by the Board.

Section 6.2. Chapters. Each member of the Association may belong to one or more Chapters. For the purposes of these Bylaws, a Chapter is an organizational unit of the Association, which may be based upon geographic boundaries, various types of operations within the towing industry, or other defining characteristics, as approved by the Board, that fulfills the mission of the Association, as set forth in section 2.2., and provides its members the opportunity for professional development and education. A Chapter shall not be entitled to a representative(s) on the Board of Directors.

Section 6.3. Chapter Activities. Subject to rules established by the Board, a Chapter shall facilitate the professional development and education of its members, including but not limited to, the discussion of issues, exchange of ideas, and establishment of professional and social relationships in order to promote the mission and ideals of the Association. No policy, position, communication or other action shall be adopted or taken that would affect the Association or other Chapter without the express approval of the Board. Each Chapter may submit recommendations on any subject to the Board for consideration and action by the Board.

Section 6.4. Chapter Establishment. Upon a petition by ten or more regular members, the Board may establish a new Chapter. Additionally, upon a petition by ten or more regular members of a Chapter the Board may place all members of the coterminous Voting District, or those members located in a geographical portion thereof, into the Chapter. However, because membership in a Chapter is elective, it is the right of any member to opt out of a Chapter to which he or she has been assigned.

Section 6.5. Chapter Officers, Election, Vacancies, and Removal. Subject to Board approval, each Chapter shall elect a Chair, a Secretary, and a Treasurer, however, in no event may the Chair also concurrently serve as Secretary or Treasurer. Each Chapter Chair must be a regular member under section 4.1 in good standing under section 4.4 upon election and until the expiration of the term for which elected. The Secretary and Treasurer shall be members in good standing under section 4.1 or section 4.3. All Chapters shall conduct elections, fill vacancies, and remove Chapter officers in a manner prescribed by the Board of Directors.

Section 6.6. Chapter Meetings and Quorum. Each Chapter shall have a minimum of two (2) in-person meetings for its membership each calendar year. Notice of each meeting shall comply with the notice requirements established under law. Adequate

minutes of each meeting shall be duly recorded, signed by the Chapter Secretary, and promptly delivered to the State Secretary.

Ten percent (10%) of the voting power shall constitute a quorum for the transaction of business at any Chapter meeting of members. The only matters that may be voted upon at any Chapter meeting are matters notice of the general nature of which was given, pursuant to the first sentence of subdivision (a) of California Corporations Code Section 7511. Every act done or decision made by a majority of the members present at a Chapter meeting duly held at which a quorum is present shall be regarded as the act of the Chapter, unless a greater number, or the same number after disqualifying one or more chapter members from voting, is required by the Articles of Incorporation, these Bylaws, or the Law. Chapter members may not vote by proxy.

Section 6.7. Chapter Funding and Financial Accountability. To the extent the Board of Directors has assessed a portion of membership dues attributable to Chapters, each member may select only one Chapter to which his or her portion shall be allocated. If the member makes no selection or is not a member of any Chapter, then this portion shall be allocated to the Association's general budget to be spent at the direction of the Board.

The Board of Directors shall adopt a financial accountability policy to ensure any expenditure of Chapter funds is exercised in a manner that accomplishes one or more permissible activities of a Chapter described in section 6.3 and is subject to the ultimate direction and control of the Board of Directors.

No Chapter shall have any authority to incur any obligations or indebtedness, or enter into any agreements in the name of, or for the account of, the Association unless specifically authorized to do so by the Board.

Section 6.8. Excess Chapter Funds and Inactive Chapters. Aggregate Chapter funds in excess of \$5,000 at the end of each fiscal year shall be credited to the Association's general budget to be spent at the direction of the Board. Within 90 days after the end of the fiscal year, a Chapter may submit a reauthorization request to the Board, supported by sufficient rationale and documentation, seeking a reallocation of a specific fund amount back to the Chapter that was credited to the Association's general budget pursuant to this section.

Any Chapter that is inactive shall have its aggregate Chapter funds credited to the Association's general budget to be spent at the direction of the Board. A Chapter may be deemed inactive by the Board of Directors for failing to comply with any of the provisions of this Article 6.

ARTICLE 7: BOARD OF DIRECTORS

Section 7.1. Powers. Subject to the provisions and limitations of the Law and subject to any limitations in the Articles of Incorporation or Bylaws regarding actions that require

approval of the members, the business and affairs of the Association shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors, herein known as the "Board" or "Board of Directors." The Board of Directors may delegate the management of the day-to-day operation of the business of the Association provided that the activities and affairs of the Association shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors. Any policies authorized to be adopted under these bylaws, shall only be adopted by the full Board.

Section 7.2. Composition. The Board of Directors shall consist of Voting District Representatives as provided in section 5.3. and each retiring President of the Association for the terms of the three (3) presidents next succeeding his or her official term. The Board of Directors may also appoint up to four (4) additional Directors from key entities or organizations within the towing industry, but no more than one (1) of these additional Directors may be from a single entity or organization.

Section 7.3. Election and Term of Office of Directors. Directors shall be elected by the Voting Districts in each even numbered year as provided in section 5.3 of these Bylaws. Each elected director shall take office upon election and shall hold office until a successor has been elected and qualified. Directors may serve any number of consecutive terms. If the elected Voting District Representative(s) are unable to attend any meeting of the Board, the Representative, provided he or she is in good standing, may select any active member in good standing of that Voting District as an alternate representative for that Board meeting.

Section 7.4. Past Presidents. Each past President of the Association, with the exception of the last three (3) retired Presidents, shall be a member of the Board with the title, "Director Emeritus," but shall have no voting power.

Section 7.5. Vacancies.

(a) A vacancy or vacancies in the Board shall be deemed to exist in case of the death, resignation or removal of any director, or if the authorized number of directors be increased, or if the regular members fail to elect the full authorized number of directors to be voted for at that meeting.

(b) Any director may resign effective upon giving written notice to the President, the Secretary or the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected before such time to take office when the resignation becomes effective.

(c) Vacancies in the Board shall be filled in the manner prescribed in section 5.3 for regular election, provided that such vacancies shall be filled as they occur and not on an annual basis. Each director so elected shall hold office until the expiration of the term of the replaced director and until such replacement director's successor has been elected and qualified.

(d) The Board may declare vacant the office of a director who has been declared of unsound mind by a final order of court, convicted of a felony, been found by a final order judgment of any court to have breached any duty arising under section 7238 of the California Corporations Code, or who is not a member in good standing under section 4.4. In addition, the Board may adopt a policy to declare vacant the office of a director who fails to attend a pre-determined number of Board meetings during any time period without being excused by the Board.

(e) No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of the director's term of office.

Section 7.6. Place of Meetings. Regular or special meetings of the Board shall be held at any place within or without the State of California which has been designated from time to time by the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Association.

Section 7.7. Annual Meetings. The Board shall hold an annual meeting for the purpose of organization, and the transaction of its business. Annual meetings of the Board may be held on such dates and at such times and places as may be fixed by the Board.

Section 7.8. Regular Meetings and Attendance. Regular meetings of the Board may be held on such dates and at such times as may be fixed by the Board. No later than the last meeting prior to the election of Directors, the Board shall adopt a policy prescribing the number of Board Meetings to be held during the upcoming Directors' term and an attendance policy pursuant to paragraph (d) of Section 7.5. The Association shall regularly publish a list of each Board Member's attendance history, which shall be presented at each Board Meeting.

Section 7.9. Special Meetings. Special meetings of the Board for any purpose or purposes may be called at any time by the President, the Board, or any 15 directors.

Section 7.10. Notice. Annual and special meetings of the Board shall be held upon at least four (4) days' notice by first-class mail or forty-eight (48) hours' notice given personally or by telephone, fax, or other similar means of communication.

Any such notice shall be addressed or delivered to each director at such director's address as it is shown upon the records of the Association or as may have been given to the Association by the director for purposes of notice or, if such address is not shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. Notice by mail shall be deemed to have been given at the time a written notice is deposited in the United States mails, postage prepaid. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or actually transmitted by the person giving the notice by electronic means, to the recipient. Oral notice shall be deemed to have been given at the time it is communicated, in person or

by telephone or wireless, to the recipient or to a person at the office of the recipient who the person giving notice has reason to believe will promptly communicate it to the receiver.

Section 7.11. Quorum and Action at a Meeting. Presence of a majority of the directors then in office at a meeting of the Board of Directors constitutes a quorum for the transaction of business, except as otherwise provided in these Bylaws. Every act done or decision made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number, or the same number after disqualifying one or more directors from voting, is required by the Articles of Incorporation, these Bylaws, or the Law. Directors may not vote by proxy. A meeting at which a quorum is initially present, including an adjourned meeting, may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a disinterested majority of the required quorum for such meeting, or such greater number as required by the Articles of Incorporation, these Bylaws or the Law.

Section 7.12. Adjourned Meeting and Notice. A majority of the directors present, whether or not a quorum is present, may adjourn any directors meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, reasonable notice of any adjournment to another time or place shall be given prior to the time the adjourned meeting is reconvened to the directors who were not present at the time of the adjournment.

Section 7.13. Action Without a Meeting. The Board of Directors may take any required or permitted action without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents may be submitted via email and shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such directors. For purposes of this section only, "all members of the Board" does not include any "interested directors" as defined in section 5233 of the Law.

Section 7.14. Participation in Meetings through Electronic Means. Members of the Board may participate in a meeting of the Board or of any committee meeting, through use of a conference telephone or electronic communication equipment, as long as it is approved by the Board and complies with section 7211 of the California Corporations Code.

Section 7.15. Rights of Inspection. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and to inspect the physical properties of the Association.

Section 7.16. Fees and Compensation. Directors and member of committees shall receive no stated salary, but may receive such reimbursement for expenses, as may be fixed or determined by the Board.

ARTICLE 8: COMMITTEES

Section 8.1. Committees of Directors. The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, designate one or more committees to exercise all or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these Bylaws. The appointment or removal of members a committee requires the vote of a majority of the directors then in office, provided that a quorum is present. Subject to the approval of the Board, the President shall designate the chairperson of a committee unless otherwise designated under these Bylaws. The Board of Directors may also designate one or more advisory committees that do not have the authority of the Board. However, no committee, regardless of Board resolution, may:

- (a) Approve any action that, under the Law or the Articles of Incorporation or these Bylaws, also requires approval of the members or approval of a majority of all members;
- (b) Fill vacancies on, or remove members of, the Board of Directors or in any committee that has the authority of the Board;
- (c) Fix compensation of the directors for serving on the Board or on any committee;
- (d) Amend or repeal the Articles of Incorporation or Bylaws or adopt new bylaws, or amend or adopt any policies authorized to be adopted under these Bylaws.
- (e) Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable;
- (f) Appoint any other committees of the Board of Directors or their members;
- (g) Approve a plan of merger; consolidation; voluntary dissolution; bankruptcy or reorganization; or for the sale, lease, or exchange of all or substantially all of the property and assets of the Association otherwise than in the usual and regular course of its business; or revoke any such plan;
- (h) Approve any self-dealing transaction, except as provided by section 5233 of the Law; or
- (i) Expend corporate funds to support a nominee for director after there are more people nominated for director than can be elected. No committee shall bind the Association in a contract or agreement or expend corporate funds, unless authorized to do so by the Board of Directors.

Section 8.2. Meetings and Actions of Committees. Notwithstanding any alternate Committee-specific rules established by the Board, meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of Article 7 of these Bylaws, concerning meetings and actions of directors. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records.

Section 8.3. Executive Committee. The Association shall have an executive committee which, except when the Board is in session, and except as its powers may be otherwise limited by the Board, shall have and may exercise the powers of the Board in the management of business and affairs of the Association only if some action must be taken prior to the next Board meeting and the full Board is not scheduled to meet within the period in which such action is required. The executive committee shall also have the power of general supervision, management, and control of the business of the Association and its employees, including the hiring and firing of those employees.

The executive committee shall report to the Board on all matters in which it exercised the powers of the Board and shall generally update the Board on its supervision, management and control of the Association and its employees at its next regular meeting of the full Board. The executive committee shall also ensure that the Board is updated on the activities of all officers, committees, the executive director and key employees, general counsel, consultants, and chapters at all regular Board meetings.

The executive committee shall be composed of the President, the two southern Vice Presidents, the two northern Vice Presidents, the Secretary, the Treasurer, the immediate Past President of the Association, two representatives appointed by the Emergency Road Service Coalition of America, and may also include one Member at Large from the southern part of the state and one Member at Large from the northern part of the state as appointed by a majority vote of the total members of the Board.

A majority of all the members of the executive committee may determine its rules of procedure. The President shall conduct all meetings of the executive committee or, in his/her absence, a Vice-President chosen by the Committee.

Any action which under the provisions of the Law may be taken at a meeting of executive committee may be taken without a meeting if authorized by a writing signed by all members of the executive committee who would be entitled to vote at a meeting for such purpose and filed with the Secretary of the Association.

Section 8.4. Education Committee. The Association shall have an Education Committee which shall report to and advise the Board on all matters related to training and education. The Board shall adopt rules that shall govern the operation of the Committee, which must include: 1) a Committee composition that equitably reflects the diverse geographic and business interests of the Association's membership that is confirmed by a 2/3's vote of the Board, and 2) any substantive action or recommendations from the Committee must be reached by a 2/3's vote of the Committee Members, present and voting, and must be presented to the Board or

Executive Committee for ratification, adoption, or modification. The Board or Executive Committee shall have 5 business days following such a presentation to modify any Committee action, otherwise the presented action shall be deemed ratified. The Education Committee shall select one Committee Member to simultaneously serve on the Towing Regulatory Oversight Council, provided the Member meets the minimum qualifications required to serve on the Towing Regulatory Oversight Council and does not already serve on the Towing Regulatory Oversight Council. The Education Committee shall be subject to the ultimate direction and control of the Board.

Section 8.5. Towing Regulatory Oversight Council. The Association shall have a Towing Regulatory Oversight Council which shall report to and advise the Board on all regulatory matters. The Board shall adopt rules that shall govern the operation of the Committee, which must include: 1) a Committee composition that equitably reflects the diverse geographic and business interests of the Association's membership that is confirmed by a 2/3's vote of the Board, and 2) any substantive action or recommendations from the Committee must be reached by a 3/4's vote of the Committee and must be presented to the Board or Executive Committee for ratification, adoption, or modification. The Board by a majority vote, or full Executive Committee by a 2/3's vote, shall have 5 business days, unless an emergency demands a shorter time period, following such a presentation to modify or overturn any Committee action, otherwise the presented action shall be deemed ratified. The Towing Regulatory Oversight Council shall select one Committee Member to simultaneously serve on the Education Committee, provided the Member meets the minimum qualifications required to serve on the Education Committee and does not already serve on the Education Committee. Any Committee Member may be removed by the full Executive Committee by a 2/3's vote. The Towing Regulatory Oversight Council shall be subject to the ultimate direction and control of the Board.

Section 8.6. Political Action Committee (PAC) Committee. The Association shall have a Political Action Committee (PAC) Committee which shall raise funds for the CTTA PAC and authorize contributions or expenditures of these funds for the purpose of furthering the candidacy of individuals for nomination or election to a state public office or to political committees or ballot measures, the philosophies of which are consistent with advancing, promoting, and protecting interests of the members and supporters of the Association.

The PAC Committee shall be composed of the President, the two co-chairs of the Towing Regulatory Oversight Council, the Secretary, and the Treasurer. The PAC Committee shall make regular updates to the Board.

Section 8.7. Grievance Committee. The Board shall appoint from time to time, committees to be known as the grievance committees. Any grievance committee shall not be a standing committee and shall be dissolved after making a written report of the matter brought before it, which report shall be addressed to the Board and delivered to the Secretary within 48 hours (not to include Saturdays, Sundays, or Holidays) after the conclusion of any hearing and reaching of or the failure to reach a decision. No direct

competitor of any member against whom a complaint has been filed shall be eligible to be a member of the grievance committee acting upon such a complaint. The purpose of the grievance committee shall be to hear and act upon any complaint filed in writing with the Secretary, President, or Manager against any member of the Association. The findings of the grievance committee shall be subject to the approval of the Board of Directors before action thereon shall be taken by the Association and the Grievance committee shall have the right to recommend that suspension be ordered or expulsion be ordered if the complaint be found true. Final action on all grievances shall rest with the Board.

Section 8.8. Chapter Finance and Governance Committee. The Association shall have a Chapter Finance and Governance Committee which shall report to and update the Board on all Chapter matters, including those relating to Chapter finances and governance. The Chapter Finance and Governance Committee shall be co-chaired by the Association Secretary and Treasurer.

ARTICLE 9: OFFICERS

Section 9.1. Officers. The officers of the Association shall consist of a President, two Vice Presidents elected from the southern part of the state, two Vice Presidents elected from the northern part of the state, a Secretary, and a Treasurer. One person may not hold more than one officer position at the same time. Every Officer shall be a Board Member upon election and a member in good standing under section 4.1 upon election and until the expiration of the term for which elected.

Section 9.2. Election and Term of Office. Officer elections shall occur at the first Board meeting of the calendar year. The President of the Association shall be elected by the Board for a two-year term. All other officers of the Association, except such officers as may be elected or appointed in accordance with the provisions of section 9.4, shall be elected by the Board for one-year terms.

Section 9.3. Removal and Resignation. Any officer may be removed, either with or without cause, with the approval of the regular members or a majority vote of the total members of the Board. Any such removal shall be without prejudice to the rights, if any, of the officer under any contract of employment.

Any officer may resign at any time by giving written notice to the Association, but without prejudice to the rights, if any, of the Association under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis. Any vacancy in any

officer position may, in the discretion of the Board, be held vacant until the next regular election, or may be filled by appointment. Appointments, if any, shall be made by a majority vote of the total members of the Board. Any person appointed to an officer position shall serve only through the remaining balance of the term until the next regular election.

Section 9.5. President. The President is chief executive officer of the Association and has subject to the control of the Board, general supervision, direction, and control of the business and activities of the Association. The President shall preside at all meetings of the members and at all meetings of the Board. The President has the general powers and duties of management usually vested in the office of president of a corporation and such other powers and duties as may be from time to time assigned by the Board.

Section 9.6. Vice Presidents. The Association shall have two (2) Southern Vice Presidents and two (2) northern Vice Presidents. One Vice President from the southern part of the state shall act as the co-chair of the Education Committee and shall be known as: "Southern Vice President—Education," and one Vice President from the northern part of the state shall act as the other co-chair of the Education Committee and shall be known as "Northern Vice President—Education". The second Vice President from the southern part of the state shall act as the co-chair of the Towing Regulatory Oversight Council and shall be known as "Southern Vice President—Regulatory," and the other Vice President from the northern part of the state shall act as the other co-chair of the Towing Regulatory Oversight Council and shall be known as "Northern Vice President—Regulatory." In addition, the Vice Presidents shall have such powers and perform duties as from time to time may be prescribed for them respectively by the Board.

Section 9.7. Secretary. The secretary, or his or her designee, shall be custodian of all records and documents of the Association, including Chapter records, which are to be kept at the principal office of the Association, shall act as secretary of all the meetings of the Board of Directors and the members, and shall keep the minutes of all such meetings in books proposed for that purpose. He or she shall attend to the giving and serving of all notices of the Association. He or she shall keep the Board regularly updated on any pertinent Chapter records.

Section 9.8. Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association and all Chapters, and shall send, or cause to be sent to the regular members of the Association such financial statements and reports as are by law or by these Bylaws required to be sent to them. The books of account shall at all times be open to inspection by any director. The Treasurer shall reconcile the books of the Association on an annual basis. He or she shall keep the Board regularly updated on any pertinent Chapter records.

The Treasurer shall deposit, or cause to be deposited, all moneys and other valuables in the name and to the credit of the Association with such depositaries as may be

designated by the Board. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, shall render to the Board financial statements. In addition, the Treasurer shall have such powers and perform such other duties as may be prescribed by the Board. Any individual disbursement of funds of the Association which exceeds \$10,000.00 shall require authorization from at least two State Officers. The persons authorized to sign disbursements of the Association's funds from its accounts shall be designated by the Treasurer under the direction of the Board.

The treasurer shall prepare or cause to be prepared an annual report not later than 120 days after the close of the Association's fiscal year and provide a copy of the report to all directors and such members who may request a copy of that financial report pursuant to section 10.3 of these Bylaws. The annual report shall contain in appropriate detail the following: 1) A balance sheet as of the end of such fiscal year, an income and expense statement for the fiscal year, and a statement of changes in financial position for the fiscal year; 2) A statement of the place where the names and addresses of the current members are located; and 3) Any information required by section 8322 of the California Corporations Code.

In addition, the Treasurer shall perform periodic reviews during the fiscal year of the books, records and accounts of the Association at such time as the Treasurer deems appropriate or as the Treasurer may be directed by the Board.

The books, records and accounts of this Association shall be annually reviewed by independent accountants selected by the Board and may be more frequently reviewed by such independent accountants at such other times as the Board or the President may direct. The expense of such reviews shall be borne by the Association. The type of review of financial records by independent accountants, whether by compilation or systematic inspection involving analysis, tests and confirmations, shall be determined on an annual basis by the Board.

Section 9.6. Executive Director. Subject to the control, advice and consent of the Board of Directors, the executive director shall, in general, supervise and conduct the activities and operations of the Association, shall keep the Board of Directors and Executive Committee fully informed and shall freely consult with them concerning the activities of the Association, and shall see that all orders and resolutions of the Board and Executive Committee are carried into effect. Where appropriate, the Board of Directors shall place the executive director under a contract of employment. The executive director shall be empowered to act, speak for, or otherwise represent the Association between meetings of the Board. The executive director shall be responsible for keeping the Board and Executive Committee informed at all times of staff performance and for implementing any personnel policies adopted by the Board. The executive director is authorized to contract, receive, deposit, disburse, and account for funds of the Association; to execute in the name of the Association all contracts and other documents authorized either generally or specifically by the Board to be executed by the Association; and to negotiate all material business transactions of the Association.

ARTICLE 10: RECORDS AND REPORTS

Section 10.1. Maintenance and Inspection of Articles and Bylaws. The Association shall keep at its principal office the original or a copy of its Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members and directors at all reasonable times during office hours.

Section 10.2. Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns. The Association shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

Section 10.3. Maintenance and Inspection of Other Corporate Records. The Association shall keep adequate and correct books and records of accounts; written minutes of the proceedings of its members, Board, and committees of the Board; and a record of each member's name and address. All such records shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal office of the Association. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the Association shall turn over to his or her successor or the president, in good order, such corporate monies, books, records, minutes, lists, documents, contracts or other property of the Association as have been in the custody of such officer, employee, or agent during his or her term of office.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Association and each of its subsidiary corporations. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents. On written demand of the Association, any member may inspect, copy, and make extracts of the accounting books and records and the minutes of proceedings of the members, the Board, and committees of the Board at any reasonable time for a purpose reasonably related to the member's interest as a member.

Section 10.4. Preparation of Annual Financial Statements. The Association shall prepare annual financial statements using generally accepted accounting principles. Such statements shall be reviewed by an independent certified public accountant or similar accounting professional, in conformity with generally accepted accounting standards, under supervision of the Executive Committee. The Association shall make these financial statements available to the California Attorney General and members of the public for inspection no later than nine (9) months after the close of the fiscal year to

which the statements relate. Nothing in this Section prevents the Board or Executive Committee, at its discretion, to also order a complete audit of the Association's finances at any time to be performed by an independent certified public accountant or similar accounting professional.

Section 10.5. Reports. The Association shall notify each regular member yearly of the member's right to receive a financial report pursuant to section 8321(a) of the California Corporations Code. Upon the written request of a regular member of the Board shall promptly cause the most recent annual report to be sent to the requesting member. The annual report shall be prepared not later than one hundred and twenty (120) days after the close of the Association's fiscal year. The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such accountant's report, the certificate of any authorized officer of the Association that such statements were prepared without audit from the books records of the Association. The annual report shall contain in appropriate detail the following:

(a) a balance sheet as of the end of such fiscal year and an income statement and statement of charges in financial position for such fiscal year;

(b) a statement of the place where the names and addresses of the current members are located; and

(c) any information required by section 8322.

The report shall be accompanied by any pertinent report of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Association that such statements were prepared without audit from the books and records of the Association. The Association shall furnish any member who so requests a copy of any report filed by the Association with the California Attorney General. The Association may impose reasonable charges for copying and mailing this report to a member.

Section 10.6. Annual Statement of Certain Transaction and Indemnifications.

(a) The Association must furnish annually to its regular members a statement of any covered transaction or indemnification of a kind described below, if any such covered transaction or indemnification took place. If the Association issues an annual report to all regular members, the statement required by this section 10.6 shall be affixed to and sent with the annual report described in section 10.5. A covered transaction under this section 10.6 is a transaction in which the Association was a party, and in which either of the following interested persons had a direct or indirect material financial interest (excluding a mere common directorship or a transaction approved by the regular members under section 7233(a) of the California Corporations Code):

1. Any director or officer of the Association.

2. Any holder of more than ten percent of the voting power of the Association, its parent, or its subsidiary.

(b) The statement required by subsection (a) of this section 10.6 shall describe briefly:

1. Any covered transaction (excluding compensation of officers and directors) during the previous fiscal year involving more than fifty thousand dollars (\$50,000), or which was one of a number of covered transactions in which the same interested person had a direct or indirect material financial interest, and which transactions in the aggregate involved more than fifty thousand dollars (\$50,000).
2. The names of the interested persons involved in such transactions, stating such person's relationship to the Association, the nature of such person's interest in the transaction and, where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated.
3. The amount and circumstances of any indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or director of the Association; provided, that no such report need be made in case of indemnification approved by regular members.

ARTICLE 11: FISCAL YEAR

Section 11.1. The Fiscal Year of the Association shall begin on the first day of April and end on the last day of March each year.

ARTICLE 12: AMENDMENTS AND REVISIONS

Section 12.1.

These Bylaws may be adopted, amended or repealed by the Board unless the action would be contrary to law or otherwise materially and adversely affect the rights of regular members as to voting, dissolution, redemption, or transfer of memberships.

ARTICLE 13: CONSTRUCTION AND DEFINITIONS

Section 13.1. Construction. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law as amended from time to time shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person. If any competent court of law shall deem any portion of these Bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these Bylaws

shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

Section 13.2 Southern and Northern References. All references to the “Southern” or “Northern” geographic portions of California shall be coterminous with the “North-South split” as recognized by the California Legislature to govern the apportionment of all State Highway Account funds. As such, the border for the Southern region shall extend to and include all of San Luis Obispo, Kern, Tulare, Inyo, and Mono counties.

ARTICLE 14: DEDICATION OF ASSETS

Article 14.1. The properties and assets of the Association are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of the Association, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member, director or officer of the Association. On liquidation or dissolution, all remaining properties and assets of the Association shall be distributed and paid over to an organization dedicated to charitable purposes which has established its tax-exempt status under the Internal Revenue Code.

ARTICLE 15: DISSOLUTION

Section 15.1. The Association may be dissolved by the vote of the majority of all regular members. In the event of dissolution any funds remaining after payment of the Association’s debts shall be distributed to the then current members of the Association. Upon dissolution, the property interests of each regular member shall be unequal, the general rule applicable to all regular members by which such rights shall be determined being: the interest of each then current regular member in any funds of the Association upon dissolution shall be in the ratio that his average dues paid during the three year period preceding dissolution bears to the average total dues paid by all other then current regular members of the Association during such three year period.

CERTIFICATE OF SECRETARY

I hereby certify that the foregoing Bylaws were validly adopted at a meeting of the regular members held on October 8, 2014, and are the current Bylaws of the California Tow Truck Association.

Date: _____

Signature: _____
CTTA President, Sherry White

Date: _____

Signature: _____
CTTA Secretary, Kathy Gean

Date: _____

Signature: _____
CTTA Executive Director, Larry Muzamel

This version includes all amendments as of October 1, 2018.