

CARMEL COMMERCIAL LANDLORDS ASSOCIATION

Amended and Restated Bylaws

A California Nonprofit Mutual Benefit Corporation

Version 2.0 — Supersedes Version 1.0 in its entirety

Adopted by the Board of Directors on _____, 2026

Next scheduled review: first Board meeting following the Annual General Meeting

Note to the Board: bracketed items require a decision or an insertion before execution. These Bylaws are the governing instrument of the Association. Where any Standard Operating Procedure, internal procedure, form, or member communication conflicts with these Bylaws, these Bylaws control.

Article I — Name and Offices

Section 1. Name. The name of this corporation is the Carmel Commercial Landlords Association, which may be referred to as "CCLA" or "the Association."

Section 2. Principal Office. The principal office for the transaction of the activities and affairs of the corporation shall be located in Monterey County, California. The Board of Directors may change the principal office from time to time.

Section 3. Other Offices. The corporation may have offices at such other places, within or without the State of California, as the Board of Directors may determine.

Article II — Purposes and Powers

Section 1. Specific Purposes. This corporation is organized as a mutual benefit corporation under the California Nonprofit Mutual Benefit Corporation Law (California Corporations Code §§ 7110-8910). Its primary focus is commercial and income-producing real property in Carmel-by-the-Sea, with membership open throughout Monterey County. Its purposes are:

- To promote the common business interests of owners of commercial, retail, office, mixed-use, and other income-producing real property in Carmel-by-the-Sea and Monterey County.
- To advocate for stable, predictable, and economically sustainable land use, zoning, permitting, and property regulation, and to oppose measures that impair the economic viability of commercial property ownership or the freedom of parties to contract.
- To provide education, resources, and current regulatory information to members on commercial leasing, code compliance, permitting, assessment and taxation, and related matters.

- To create a professional network among commercial property owners and the professionals who serve them.
- To represent members before the City of Carmel-by-the-Sea, Monterey County, and other public bodies on a fact-based, non-partisan basis.

Residential rental property held by a member incidental to that member's commercial holdings is within the scope of these purposes, but the Association's programming, advocacy, and resources are directed to commercial property.

Section 2. General Powers. The corporation shall have all powers permitted by law, consistent with its Articles of Incorporation and these Bylaws.

Section 3. Tax Status. The corporation is intended to qualify as a business league described in Section 501(c)(6) of the Internal Revenue Code. Until such time as the Internal Revenue Service recognizes that status, the corporation shall operate as a taxable nonprofit corporation. No part of the net earnings of the corporation shall inure to the benefit of any private individual.

Section 4. Non-Partisan Operation. The corporation shall not participate in any political campaign on behalf of, or in opposition to, any candidate for public office. Advocacy on legislation and regulation shall be conducted on a fact-based, non-partisan basis and shall remain within the limits applicable to organizations described in Section 501(c)(6).

Article III — Membership

Section 1. Eligibility. Membership is open to persons and entities holding an ownership or professional interest in commercial or income-producing real property located in Monterey County, California. Priority of programming, advocacy, and representation is given to property located in Carmel-by-the-Sea.

Section 2. Classes of Membership. The Association has three classes of membership:

- Regular Member (voting). An owner, co-owner, or holder of a beneficial ownership interest in commercial or income-producing real property in Monterey County. Regular Members may vote and hold office.
- Associate Member (non-voting). A property manager, real estate broker or agent, attorney, accountant, insurance professional, lender, contractor, or other service provider with a demonstrated commercial property focus. Associate Members may not vote and may not hold office or serve as directors.
- Honorary Member (non-voting). Extended by invitation of the Board. No dues. No vote. May not hold office.

Section 3. Voting Rights and Allocation of Votes. The Association is a body of owners, and voting power is allocated to reflect that. The following rules govern all votes of the membership:

- (a) Voting class. Only Regular Members in good standing may vote.
- (b) One vote per Member. Each Regular Member holds one vote, regardless of the number of properties, parcels, or square feet owned.
- (c) Designated Voting Representative. A Regular Member that is a limited liability company, partnership, corporation, trust, or other entity shall designate in writing one natural person as its Designated Voting Representative ("DVR"). The DVR casts that Member's single vote. Where a property is held by multiple co-owners or partners, the co-owners shall jointly designate one DVR for that entity.
- (d) One person, one vote. No natural person may serve as DVR for more than one Member entity, or cast more than one vote on any matter, regardless of the number of entities in which that person holds an interest. A person who is both an individual Regular Member and an owner of a Member entity holds one vote in total.
- (e) Qualification of a Designated Voting Representative. A DVR must (i) hold a beneficial ownership interest of not less than twenty-five percent (25%) in the Member entity for which the DVR votes; (ii) be a Regular Member in good standing in the DVR's own right or an owner of the designating entity; and (iii) not be an employee, agent, or nominee designated for the purpose of increasing another owner's effective voting power.
- (f) Common control limitation. Where two or more Member entities are under common control — meaning the same person or group of persons holds, in the aggregate, fifty percent (50%) or more of the beneficial ownership of each — those entities may collectively cast no more than two (2) votes on any matter. Where more than two such entities hold membership, the controlling owner or owners shall designate in writing, at the start of each fiscal year, which two entities exercise votes for that year.
- (g) Annual certification. Each Regular Member shall certify annually, on a form provided by the Secretary, its DVR and any common-control relationships with other Members. A material misstatement is grounds for suspension of voting rights by a majority vote of the Board, subject to Section 8 of this Article.
- (h) Interpretation. The Board is the initial interpreter of this Section. Any determination of the Board under this Section may be appealed to the membership at the next Annual General Meeting.

Section 4. Application and Approval. Applicants must submit a completed membership application. The Membership Committee, or the Board where no committee has been constituted, shall review each application and approve, deny,

or request further information. Denial may be made only for good cause, with written notice stating the basis for denial and an opportunity to appeal to the Board.

Section 5. Dues. The Board sets annual dues and any assessments for each class of membership. Dues are payable within thirty (30) days following written notice of approval of membership. Membership becomes effective upon receipt of dues. Thereafter, dues are payable annually on the anniversary of the date the member joined. Dues are non-refundable.

Section 6. Good Standing; Lapse. A member is in good standing when current in dues and not under suspension. A member whose dues remain unpaid thirty (30) days after the anniversary date is lapsed, and member benefits and voting rights are suspended until dues are received. Suspension under this Section is administrative and does not require Board action.

Section 7. Termination for Non-Payment. Where dues remain unpaid ninety (90) days after the anniversary date, the Board may terminate the membership by majority vote. The Secretary shall give the member written notice not less than fifteen (15) days before the vote, and the member may cure by payment at any time before the vote is taken.

Section 8. Termination or Suspension for Cause. A membership may be suspended or terminated for cause, including material misstatement on an application or annual certification, or violation of the Code of Conduct. Any such action requires all of the following: (i) written notice to the member stating the grounds, given not less than fifteen (15) days in advance; (ii) an opportunity for the member to be heard, orally or in writing, before the Board; and (iii) a vote of not less than two-thirds (2/3) of the directors then in office. No membership may be terminated for cause automatically or administratively.

Section 9. Resignation. A member may resign at any time by written notice to the Secretary. Dues already paid are not refunded.

Section 10. Transfer. Membership is not transferable, except that a Member entity may substitute its Designated Voting Representative upon written notice to the Secretary.

Article IV — Board of Directors

Section 1. Powers and Duties. The Board of Directors manages the business and affairs of the corporation, subject to the California Nonprofit Mutual Benefit Corporation Law, the Articles of Incorporation, and these Bylaws.

Section 2. Number and Qualifications. The Board shall consist of not fewer than three (3) nor more than nine (9) directors. Every director must be a Regular Member in good standing. Associate and Honorary Members may not serve as

directors. A majority of directors shall hold an ownership interest in commercial property located within Carmel-by-the-Sea.

Section 3. Election and Term. Directors are elected by the Regular Members at the Annual General Meeting. Directors serve staggered three-year terms and may serve up to two consecutive terms. At formation, initial directors shall draw for one-, two-, and three-year terms in order to establish the stagger.

Section 4. Vacancies. Vacancies are filled by majority vote of the remaining directors for the unexpired term.

Section 5. Removal. A director may be removed with or without cause by majority vote of the Regular Members, or for cause by two-thirds vote of the Board.

Section 6. Meetings. The Board shall hold regular meetings not less than quarterly. Special meetings may be called by the President or a majority of directors on forty-eight (48) hours' notice. Meetings may be held by telephone, video conference, or other electronic means permitted by law, and a director participating by such means is present for all purposes including quorum.

Section 7. Quorum and Action. A majority of directors then in office constitutes a quorum. Action requires a majority vote of those present unless these Bylaws require otherwise.

Section 8. Action Without Meeting. The Board may act without a meeting by unanimous written consent, which may be given electronically.

Section 9. Conflict of Interest. Directors shall disclose any material financial or personal interest in a matter before the Board and shall recuse themselves from the related discussion and vote. Each director shall complete an annual conflict of interest disclosure form.

Section 10. Compensation. Directors serve without compensation but may be reimbursed for reasonable expenses approved in advance by the Board.

Article V — Officers

Section 1. Officers. The officers of the corporation are the President, Vice President, Secretary, and Treasurer. Officers are elected annually by the Board of Directors from among the directors then in office. The election of officers is separate from, and follows, the election of directors by the members.

Section 2. Duties.

- President. Chief executive officer; presides at meetings of the Board and the membership; serves as the Association's spokesperson.
- Vice President. Assists the President and assumes the President's duties in the President's absence.

- Secretary. Keeps minutes and corporate records; maintains the membership roll, Designated Voting Representative register, and annual certifications; gives all required notices.
- Treasurer. Has custody of the funds; maintains the books of account; reports to the Board quarterly and to the membership annually.

Section 3. Term and Removal. Officers serve at the pleasure of the Board and may be removed with or without cause by majority vote of the Board. A vacancy in any office is filled by the Board for the unexpired term.

Article VI — Committees

The Board may establish standing or ad hoc committees, including Membership, Advocacy and Policy, Events, and Finance. Committee chairs are appointed by the President with the approval of the Board. A committee may exercise the authority of the Board only where expressly delegated in writing and permitted by law. Associate Members may serve on committees but may not chair a committee or vote on committee recommendations to the Board.

Article VII — Meetings of Members

Section 1. Annual General Meeting. The Association shall hold an Annual General Meeting each year at a time and place set by the Board, for the election of directors and the presentation of reports. Written notice shall be given not less than ten (10) nor more than ninety (90) days in advance.

Section 2. Special Meetings. Special meetings may be called by the Board, the President, or Regular Members holding not less than five percent (5%) of the voting power.

Section 3. Quorum. Twenty percent (20%) of the Regular Members entitled to vote, present in person, by proxy, by electronic participation, or by written or electronic ballot, constitutes a quorum for the transaction of business.

Section 4. Manner of Voting. The Association expressly recognizes that many members do not reside in Monterey County. Votes may be cast by any of the following means, each of which counts toward quorum:

- In person at the meeting.
- By written proxy delivered to the Secretary before the meeting, in accordance with California Corporations Code § 7613.
- By live participation through video or telephone conference, provided all participants can hear one another.
- By written or electronic ballot in accordance with California Corporations Code § 7513.

All votes cast under this Section remain subject to the allocation rules of Article III, Section 3, including the one-person-one-vote rule and the common control limitation.

Section 5. Action by Written Ballot. Any action that may be taken at a meeting of members may be taken without a meeting by written or electronic ballot, provided the number of ballots cast equals or exceeds the quorum required and the number of approvals equals or exceeds the number that would be required at a meeting.

Article VIII — Finances and Records

Section 1. Fiscal Year. The fiscal year of the corporation ends December 31.

Section 2. Banking and Signatures. The Board shall designate authorized signers on all accounts. Disbursements exceeding five hundred dollars (\$500) require two signatures or documented dual authorization.

Section 3. Reporting. The Treasurer shall report to the Board at each regular Board meeting, and not less than quarterly. The Treasurer shall present an annual financial report to the membership at the Annual General Meeting.

Section 4. Records. The corporation shall maintain accurate books of account, minutes of all meetings, the membership roll, and the register of Designated Voting Representatives. Records shall be available for inspection by members to the extent required by California Corporations Code §§ 8330-8338.

Section 5. Sponsorship and Non-Dues Revenue. The Board may accept sponsorships, underwriting, and event revenue consistent with the purposes of the corporation and the limits applicable to organizations described in Section 501(c) (6). No sponsorship confers voting rights, board representation, or influence over Association positions.

Article IX — Indemnification and Insurance

The corporation shall indemnify its directors, officers, employees, and agents to the fullest extent permitted by California Corporations Code § 7237, and may purchase and maintain directors and officers liability insurance and general liability insurance for that purpose.

Article X — Precedence of Governing Documents

These Bylaws, together with the Articles of Incorporation, are the governing instruments of the Association. All Standard Operating Procedures, internal procedures, membership forms, welcome materials, and other Association documents are subordinate to these Bylaws. In the event of any conflict, the Articles of Incorporation control first, these Bylaws control second, and all other

documents yield. Any procedure that purports to shorten, waive, or bypass a process required by these Bylaws is void to the extent of the conflict.

Article XI — Amendments

These Bylaws may be amended by a majority vote of the Board of Directors, except that any amendment to Article III (Membership), Article IV, Section 3 (Election and Term), or Article VII (Meetings of Members) requires the approval of a majority of the Regular Members voting, and any amendment requiring member approval under California law shall be submitted to the members. Notice of any proposed amendment shall be given with the notice of the meeting at which it will be considered.

Article XII — Dissolution

Upon dissolution, assets remaining after payment of debts and liabilities shall be distributed to one or more organizations organized and operated for purposes similar to those of this corporation, as determined by the Board, in compliance with California law.

Certificate of Secretary

I certify that I am the duly elected and acting Secretary of the Carmel Commercial Landlords Association, a California Nonprofit Mutual Benefit Corporation, and that the foregoing Amended and Restated Bylaws, consisting of _____ pages, were adopted as the Bylaws of this corporation by the Board of Directors on the date set forth below, superseding all prior Bylaws.

Executed on _____, 2026, at _____

Signature: _____

Printed Name: _____

Secretary, Carmel Commercial Landlords Association