

AMENDED AND RESTATED
BYLAWS OF
SANTA LUCIA CONSERVANCY
A California Nonprofit Public Benefit Corporation

Duly enacted and adopted June 5, 2011

ARTICLE I
NAME OF CORPORATION

The name of this Corporation is Santa Lucia Conservancy.

ARTICLE II
OFFICES

SECTION 2.1 PRINCIPAL OFFICE

The principal office for the transaction of the business of this Corporation shall be located in Carmel, California. The Governors may change the principal office from one location to another, and this section shall be amended accordingly.

SECTION 2.2 OTHER OFFICES

The Board of Governors may at any time establish branch offices, either within or without the State of California, in order to advance the proper purposes of the Corporation.

ARTICLE III
OBJECTIVES AND PURPOSES

This Corporation has been formed under the California Nonprofit Corporation Law for charitable purposes and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office. The Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the charitable and public purposes described in its Articles of Incorporation.

The primary objectives and purposes of this Corporation shall be conservation of areas of significant ecological integrity through fee acquisition of natural sites, acceptance or creation of conservation

easements, development of managed and interpretive public access to areas of special ecological, aesthetic, and educational value, and the demonstration of conservation projects focused on the practical integration of nature and culture in settled landscapes.

ARTICLE IV

SUPPORTED ORGANIZATION

SECTION 4.1 THE SONORAN INSTITUTE

This Corporation has been organized and shall operate exclusively to support The Sonoran Institute, an Arizona Nonprofit Public Benefit Corporation, and shall be operated in connection with that organization, within the meaning of Section 509(a) (3) (b) of the Internal Revenue Code.

The Conservancy is committed to support and benefit the Sonoran Institute, a non-profit charitable organization whose purposes include the following:

- (a) To serve as a professional, non-governmental, non-partisan agent for the long-term study, protection, restoration, and maintenance of natural and restored open space.
- (b) To promote sensitive and sustainable land use decisions and to educate land owners about the benefits of private land protection techniques such as scenic easements, conservation easements and environmentally sensitive design and development practices.

The Conservancy operates as a "functionally integrated supporting organization," for the Sonoran Institute in promoting these purposes. Because the Sonoran Institute does not own and manage lands, it uses various supporting organizations to manage land in ways that accomplish these purposes. The Conservancy is organized and operated exclusively to perform the functions and carry out the purposes of the Sonoran Institute, and, in compliance with section 509(a)(3) of the Internal Revenue Code, the Conservancy is not empowered to operate to support or benefit any organization other than the Sonoran Institute.

SECTION 4.2 SUBSTITUTION OF SUPPORTED ORGANIZATION

In the event that The Sonoran Institute shall cease to be an organization described in sections 170(b) (1) (A) (vi) and 509(a) (1) of the Internal Revenue Code, or said organization shall substantially abandon the charitable purposes which this Corporation is organized to support, the Governors shall designate a publicly supported charitable organization described in Sections 170(b)(1)(A) and 509(a)(1) or (2) of said Code, in substitution for said organization for purposes of Article V of this Corporation's Articles of Incorporation, and Section 4.1 of these Bylaws.

Change of Supported Organization. Pursuant to a resolution of its Board and as provided for in section 4.2 of these Bylaws, and made effective on April 10, 2001, the Corporation has acted to substitute The Sonoran Institute for The Trust for Public Land as its Supported Organization

pursuant to Volume 26, Code of Federal Regulations, §1.509(a)-4, and in so doing has transferred to such Institute the right to appoint a member to the Board of Governors of the Corporation.

ARTICLE V
DEDICATION OF ASSETS

The properties and assets of this nonprofit Corporation are irrevocably dedicated to public benefit and/or charitable purposes. No part of the net earnings, properties, or assets of this Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or any Governor or Officer of this Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to The Sonoran Institute or to such organization as may have been substituted for said organization pursuant to the provisions of Section 4.2 of these Bylaws.

ARTICLE VI
GOVERNORS

SECTION 6.1 POWERS

- (a) General Corporate Powers. The business and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Governors. The Board of Governors shall constitute the Board of Directors of the corporation pursuant to §5210 of the Nonprofit Corporation Act.
- (b) Specific Powers. Without prejudice to their general powers, the Governors shall have the power to:
 - (i) Select and remove the Officers of the Corporation; prescribe any powers and duties for them that are consistent with the law, with the Articles of Incorporation, and with these Bylaws; and fix their compensation, if any.
 - (ii) Change the principal executive office or the principal business office from one location to another; cause the Corporation to be qualified to do business in any other state, territory, dependency, or country, and conduct business within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting.
 - (iii) Adopt, make, and use a corporate seal and alter the form of the seal.

- (iv) Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the Corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
- (v) Make grants and receive grants that will support such projects and activities that advance the purposes of the Corporation.

SECTION 6.2 APPOINTMENT AND TERM OF OFFICE OF GOVERNORS

- (a) Current Board. The members of the Board of Governors, as of June 5, 2011, the date of approval of these Bylaws, shall be those persons whose names and addresses and dates of term are attached to these Bylaws as Exhibit A. One member of the Board has been appointed by the Sonoran Institute.
- (b) Governors/Appointments and Elections. The Board of Governors shall consist of no less than five nor more than twenty-one members as the board shall determine. Board members shall serve a term of three years. Members of the Board of Governors shall be appointed and elected as follows:
 - (i) One member of the Board shall be appointed by The Sonoran Institute ("SI"). Upon the expiration of the initial and subsequent terms of the member appointed by SI, his or her successor shall be appointed by said organization for a three year term.
 - (ii) A number of governors, constituting less than fifty percent of the then constituted Board, were previously appointed by Rancho San Carlos Partnership, L.P. ("RSCP"). RSCP's appointment power shall automatically terminate effective upon adoption of these Bylaws and may not be assigned to any other entity. Hereafter, all Governors, other than the Governor appointed by the Sonoran Institute, shall be appointed by the Board as provided in §6.2(b)(iii), below.
 - (iii) Those Members of the Board who were not previously appointed by RSCP shall consist of Members-at-Large, and Community Members as defined in §6.13(c), who shall be initially appointed by the Board and thereafter elected in the following manner:
 - A. Upon the expiration of the initial and subsequent terms of the Members, their successors shall be elected to three year terms by the Board. Members standing for reelection shall not participate in the election of Governors.

- B. No Member who has served three complete and consecutive three year terms shall stand for reelection until the end of a one year period following the end of the Member's third three year term.

- C. The Board of Governors may by resolution expand or decrease the number of seats on the Board beyond or below the number of its current members, consistent with the provisions of §6.13(b). The additional Governors shall serve three year terms, which the Board of Governors shall strive to arrange whenever possible so that in no year will more than one-third plus one of the seats on the Board become vacant due to the expiration of terms.

SECTION 6.3 QUALIFICATION OF BOARD MEMBERS

(a) Any person 18 years of age or older may be nominated or elected to serve as a Governor. Governors need not be residents of the State of California.

(1) Members-at-Large include all Board Members except those appointed by RSCP and Community Members, as defined in §6.13(c). Upon the dissolution of RSCP, those Governors appointed by RSCP shall automatically be reclassified as either Members-at-Large or Community Members as defined in §6.13(c), and shall be subject to provisions of these Bylaws governing such Members.

(b) The minimum requirements for Board Member participation are that each Board Member:

- (1) Regularly attends board meetings and important related meetings,
- (2) Makes a serious commitment to participate actively in committee work,
- (3) Volunteers for and willingly accepts assignments and completes them thoroughly and on time,
- (4) Stays informed about committee matters, prepares themselves well for meetings and reviews and comments on minutes and reports,
- (5) Gets to know other committee members and builds a collegial working relationship that contributes to consensus.

SECTION 6.4 VACANCIES

(a) Events Causing Vacancy. A vacancy on the Board of Governors shall be deemed to exist at the occurrence of any of the following:

- (i) The death, resignation, or removal of any Governor.

- (ii) The declaration by resolution of the Board of Governors of a vacancy in the office of a Governor who has been declared of unsound mind by an order of the court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under Corporation Code Section 5231 and following of the California Nonprofit Corporation Law.
- (iii) The failure of the Board, at any meeting of the Board at which any Governor is to be elected, to elect the Governor to be elected at such meeting.
- (iv) Any increase in the authorized number of seats on the Board of Governors.

(b) Resignation. Except as provided in this paragraph, any Governor may resign, which resignation shall be effective on giving written notice to the Chair of the Board, or the Secretary, unless the notice specifies a later time for the resignation to become effective. No Governor may resign when the Corporation would then be left without a duly elected Governor or Governors in charge of its affairs.

(c) Removal.

- (i) Any Governor may be removed, with or without cause, by the vote of the majority of the members of the entire Board of Governors at a special meeting called for that purpose, or at any regular meeting, provided notice of that meeting and of the removal question are given as provided in Section 6.5. Any vacancy caused by the removal of a Governor shall be filled as provided in Section 6.4(d).
- (ii) The following provisions are intended to deal with a situation when Governors do not attend meetings, and a quorum cannot be constituted over an extended period of time because an insufficient number of Board members is present. Any Governor who does not attend three successive Board meetings will automatically be removed from the Board without Board resolution unless one of the following circumstances obtains:
 - A. The Governor requests a leave of absence for a limited period of time, and the leave is approved by the Governors at a regular or special meeting. If such a leave is granted, the number of Board members will be reduced by one in determining whether a quorum is or is not present.
 - B. The Governor suffers from an illness or disability which prevents him or her from attending meetings and the Board by resolution waives the automatic removal procedure of this subsection (ii).

C. The Board by resolution of the majority of Board members agrees to reinstate the Governor who has missed three meetings.

- (d) Filling of Vacancies. Any vacancy caused by the death, resignation, or removal of a Governor shall be filled by a majority vote of the Board of Governors, except that if the death, resignation, or removal is that of the Governor appointed by the Sonoran Institute, his or her successor shall be named by said Institute.

SECTION 6.5 PLACE OF MEETING: MEETING BY TELEPHONE; NOTICE

Regular meetings of the Board of Governors may be held at any place within or outside the State of California, as designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation. Special meetings of the Board shall be held at any place within or outside of the State of California, as designated in the notice of meeting or, if not stated in the notice or if there is no notice, at the principal office of the corporation. Notwithstanding the above provisions of this Section 6.5, a regular or special meeting of the Board of Governors may be held at any place consented to in writing by all Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Governors participating in the meeting can hear one another, and all such Governors shall be deemed to be present in person at such meeting.

The Board of Governors or its authorized representative shall notify each member of any board meeting by: (1) personal delivery; (2) first class mail, postage prepaid; (3) telephone communication, either directly to the member or to a person at the member's office or home who would reasonably be expected to communicate such notice promptly to the member; or (4) facsimile, electronic mail, or such other communication device, with confirmation of receipt. All such notices shall be given at the member's telephone number, fax number, electronic mail address, or sent to the member's address as shown on the records of the Santa Lucia Conservancy. If notice is sent by first class mail it shall be postmarked at least seven days before the meeting. Notice given by personal delivery, telephone or other communications transmitted at meeting. Notice given by personal delivery, telephone or other communications device shall be delivered, telephoned, or transmitted at least 72 hours before the time set for the meeting.

SECTION 6.6 ANNUAL MEETINGS

The Board of Governors shall hold an annual meeting each June at a time and place designated by the Board of Governors for purposes of electing officers, designating committees, and transacting regular business. Notice of these meetings shall be given pursuant to, section 6.5, except that any Governor may waive notice as provided in Section 6.7(b).

SECTION 6.7 SPECIAL MEETINGS; WAIVER OF NOTICE

- (a) Authority to Call. Special meetings of the Board of Governors for any purpose may be called at any time by the Chair of the Board, or any two Governors.
- (b) Waiver of Notice. The transactions of any meeting of the Board of Governors, however called and noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting, each of the Governors not present signs a written waiver of notice and consents to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the Corporation records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Governor who attends the meeting without protesting before or at its commencement about lack of adequate notice.
- (c) Request by Preserve Company. The Corporation shall call a special meeting upon the written request of the Board of the Santa Lucia Preserve Company (the Preserve Company) with respect to a Preserve-Wide Issue (as described in Section 15.3) whenever: (1) the Corporation has been determined to be a "Necessary Party" (as described in Section 15.3); or (2) in connection with any action or proposed action of the Corporation as it pertains to the final determination of a Dispute by the Santa Lucia Preserve Company Board pursuant to Section 4.18 of said entity's bylaws. Designees of the Preserve Company shall be entitled to speak at any such special meeting requested by the Preserve Company but shall be excluded from any discussion or consideration by the Board and shall not be entitled to participate in the Board's deliberations on the matter.

SECTION 6.8 QUORUM; VOTING

A majority of the Board of Governors then in office, who are Members-at-Large shall constitute a quorum for the transaction of business, provided that a quorum shall not be less than one-fifth the number of directors authorized in the bylaws, or less than two, whichever is larger.

Every act or decision done or made by a majority of the Governors present at a meeting held at which a quorum is present shall be regarded as the act of the Board of Governors, subject to the provisions of the California Nonprofit Corporation Law. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of any Governor, if any action taken is approved by both (1) a majority of those Governors still present at the meeting, and (2) a majority of all the Governors originally present at the meeting who are neither Community Members or, prior to RSCP's dissolution, Members appointed by RSCP.

SECTION 6.9 ADJOURNMENT

A majority of the Governors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

SECTION 6.10 NOTICE OF ADJOURNMENT

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case notice of the time and place shall be given before the time of the adjourned meeting to the Governors who were not present at the time of the adjournment. Such notice may be waived in the same manner as set forth under Section 6.7(c).

SECTION 6.11 ACTION WITHOUT MEETING

Any action required or permitted to be taken by the Board of Governors may be taken without a meeting if all members of the Board who are not "interested directors" as defined in Section 10.3 with regard to such action, individually or collectively, consent in writing to that action, such action by written consent shall have the same force and effect as a unanimous vote of the Board of Governors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

SECTION 6.12 COMPENSATION OF GOVERNORS

Governors and members of committees may receive reimbursement of expenses as may be determined by resolution of the Board of Governors to be just and reasonable. Governors shall not otherwise be compensated for services as Governors. The Chair may receive a modest stipend for serving as Chair.

SECTION 6.13 RESTRICTION ON NUMBER OF CERTAIN CATEGORIES OF MEMBERS

(a) Members compensated by the Conservancy. Not more than 49 percent of the persons serving on the Board of Governors at any time may be:

- i. any person compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director;
- ii. any shareholder, employee or officer of any corporation, or partner or employee of any partnership, which has rendered compensated services to the Corporation within the previous 12 months; and
- iii. any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, mother-in-law, or father-in-law of any person described in subsection (1) or (2).

(b) Community Members and Members appointed by RSCP. The combined number of Community Members and, prior to the dissolution of RSCP, Members appointed by RSCP, shall be one fewer than the number of Members-at-Large.

If circumstances such as the departure of a Member-at-Large from the Board causes this requirement not to have been met by the time of the next Board meeting following the inability to meet this requirement, thereafter the Community Member (or, prior to the dissolution of RSCP, Members appointed by RSCP) with the shortest period of service on the Board will have non-voting status until this requirement is met. If the departure of a Community Member from the Board causes this requirement not to have been met by the time of the next Board meeting following the inability to meet this requirement, thereafter the Member-at-Large with the shortest period of service on the Board will have non-voting status until the requirement is met. The Board shall use its best efforts to reestablish the required Board composition as soon as possible, but at the latest by the next annual Board meeting following the inability to maintain the required Board composition.

(c) Definition of "Community Member". A Community Member is

(i) any person who: (a) resides in the Santa Lucia Preserve; (b) owns or controls an interest in land or rights in the lands of the Santa Lucia Preserve, including without limitation Ranch Club or Golf Club membership interests; (c) owns or controls an interest in an entity that owns or controls an interest in lands of the Santa Lucia Preserve, including without limitation Ranch Club or Golf Club membership interests; or (d) is an officer or director of any of the Ranch Club, the Preserve Golf Club, the Community Services District, the Santa Lucia Preserve Company, the Santa Lucia Preserve Association, or their successors or assigns, and

(ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, mother-in-law or father-in-law of such a person.

A Member-at-Large is any person who is neither a Community Member nor, prior to the dissolution of the RSCP, a Member appointed by RSCP.

(d) Community Members Eligible for Election. All Community Members elected to the Board of Governors shall be owners of residential land in the Santa Lucia Preserve.

(e) Effect on validity. Any violation of the provisions of paragraph (a) of this section shall not, however, affect the validity or enforceability of any transaction entered into by the Corporation.

ARTICLE VII

COMMITTEES

SECTION 7.1 COMMITTEES OF GOVERNORS

The Board of Governors may, by resolution adopted by a majority of the Governors then in office, designate one or more committees to serve at the pleasure of the Board. Members of committees need not be Members of the Board, but at least one Board member shall serve on each committee. Any member of any committee may be removed, with or without cause, at any time by the Board. No committee, except the Management Committee established

pursuant to Section 7.3 and the Audit Committee pursuant to Section 7.4, shall have all or a portion of the authority of the Board; each committee (except the Audit and Management Committees) shall have only an advisory capacity. Any committee, to the extent provided in the resolution of the Board, shall have all or a portion of the authority of the Board, except that no committee, regardless of the Board resolution, may;

- (a) Fill vacancies on the Board of Governors or on any committee;
- (b) Amend or repeal the Articles of Incorporation or Bylaws or adopt new Bylaws;
- (c) Amend or repeal any resolution of the Board;
- (d) Designate any other committees of the Board or appoint the members of any committee;
- (e) Approve any transaction (i) to which the Corporation is a party and to which one or more Governors has a material financial interest; or (ii) between the Corporation and one or more of its Governors or between the Corporation and any corporation or firm in which one or more of its Governors has a material financial interest.

SECTION 7.2 COMMITTEE RULES

The Board of Governors may adopt rules for any committee not inconsistent with the provisions of these Bylaws.

SECTION 7.3 MANAGEMENT COMMITTEE

Pursuant to Section 7.1, the Management Committee shall consist of all officers of the Corporation and other Governors that may be appointed by the Chair of the Corporation, provided that one of the Governors appointed to the Management Committee shall be the Governor appointed to the Board by the Sonoran Institute and one of the Governors appointed to the Management Committee shall be the Conservancy's representative appointed by the Board as a Director of the Board of the Santa Lucia Preserve Company. Not more than 49 percent of the persons serving on the Management Committee may be Community Members, as defined in section 6.13 of these Bylaws or, prior to the dissolution of RSCP, Members appointed by RSCP. The Management Committee, unless limited by a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the Corporation between meetings of the Board; provided, however, that the Management Committee may not:

- (a) Fill vacancies on the Board of Governors or on any committee;
- (b) Amend or repeal the Articles of Incorporation or Bylaws or adopt new Bylaws;
- (c) Amend or repeal any resolution of the Board;

- (d) Designate any other committees of the Board or appoint the members of any committee;
- (e) Approve any transaction (i) to which the Corporation is a party and to which one or more Governors has a material financial interest; or (ii) between the Corporation and one or more of its Governors or between the Corporation and any corporation or firm in which one or more of its Governors has a material financial interest.
- (f) Approve any transaction involving the use of any asset of the Corporation that might threaten or impair the conservation and reservation objectives of the Corporation.

SECTION 7.4 AUDIT COMMITTEE

The Board of Governors shall appoint an Audit Committee, which shall:

- (a) Recommend to the Board of Governors the retention and termination of the independent auditor,
- (b) Negotiate the compensation of the auditor on behalf of the board,
- (c) Confer with the auditor to satisfy the committee members that the financial affairs of the charitable organization are in order,
- (d) Review and determine whether to accept the audit, and
- (e) Approve the performance of any non-audit services to be provided by the auditing firm.

SECTION 7.5 OTHER COMMITTEES

- (a) The Board of Governors shall appoint a Finance Committee to oversee the work of the Treasurer and to oversee and direct the investment of the endowment.
- (b) The Board of Governors shall appoint a Nominations Committee to annually review Board membership, to solicit recommendations for membership, and to submit proposed nominations to the full Board. The Nominations Committee shall always be composed of at least one Community Member and one Member-at-Large. The Nominations Committee shall be responsible for identifying and cultivating individuals to effectively govern the organization and advance its mission consistent with the laws that regulate nonprofit corporations and principles defined by the mission, vision and values of the organization. Qualified candidates for governor shall be evaluated and nominated based on the following criteria:
 - Respect from and meaningful connections to the community of interest they represent;
 - Demonstrated respect for and interest in the natural environment and the mission of the Santa Lucia Conservancy;

- Willingness to serve as an effective ambassador for the Santa Lucia Conservancy and its projects within their community of interest;
- Professional experience that contributes to governance of the organization and success of programs; and
- Capacity to give/get financial support in the implementation phase of a Board of Governors approved fundraising program.

ARTICLE VIII

OFFICERS

SECTION 8.1 OFFICERS

The Corporation shall have the following Officers: Chair, Vice-Chair, Secretary, and Treasurer, and such other Officers as the Board may designate by resolution and appoint pursuant to Section 8.3. The Chair and Vice-chair shall be Governors; other Officers may, but need not be, Governors; one person may hold two or more offices, except those of Chair and Secretary, and Chair and Treasurer.

SECTION 8.2 ELECTION OF OFFICERS

The Officers of the Corporation, except those appointed in accordance with the provisions of Section 8.3 of this Article, shall be chosen by the Board of Governors, and each shall serve at the pleasure of the Board. Nominations for officers shall be presented to the Board of Governors at the annual meeting and a vote taken. The Chair of the Corporation will be elected to a two-year renewable term. All other Officers will be elected to one-year renewable terms.

SECTION 8.3 SUBORDINATE OFFICERS

The Board of Governors may appoint, and may authorize the Chair or any other Officer to appoint, any other Officers that the business of the Corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified by the Bylaws or determined from time to time by the Board of Governors.

SECTION 8.4 REMOVAL OF OFFICERS

Subject to rights, if any, under any contract of employment, any Officer may be removed, with or without cause, by the Board of Governors, at any regular or special meeting of the Board, or, except in the case of an Officer chosen by the Board of Governors, by an officer on whom such power of removal has been conferred by the Board of Governors.

SECTION 8.5 RESIGNATION OF OFFICERS

Any Officer may resign at any time by giving written notice to the Board of Governors, the Chair, or the Secretary of the Corporation. Any resignation shall take effect at the date of receipt of that notice or at any later time specified in that notice. Unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the Officer is a party.

SECTION 8.6 VACANCIES IN OFFICE

A vacancy in any Office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these Bylaws for regular appointments to that Office.

SECTION 8.7 RESPONSIBILITIES OF OFFICERS

- (a) Chair. The Chair shall preside at all meetings of the Board of Governors and the Management Committee. The Chair shall be the primary contact between the Board and the Executive Director of the Corporation and shall directly counsel the Executive Director in performance of his duties. The Chair shall be empowered to act, speak for, or otherwise represent the Corporation between meetings of the Board within the boundaries of policies and purposes established by the Board and as set forth in the Articles of Incorporation and these Bylaws.
- (b) Vice-Chair. In the absence or disability of the Chair, the Vice-chair shall perform all the duties of the Chair, and when so acting shall have all the powers of, and be subject to all the restrictions upon the Chair. The Vice-Chair shall have such other duties as may from time to time be prescribed by the Board of Governors.
- (c) Secretary. The Secretary shall attend to the following:
 - (i) The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Governors may direct, a book of minutes of all meetings and actions of Governors and committees of Governors, with the time and place of holding regular and special meetings, and if special, how authorized, the notice given, the names of those present at such meetings, and the proceedings of such meetings.
 - (ii) Notices, Seal, and Other Duties. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Governors required by the Bylaws to be given. The Secretary shall keep the seal of the Corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Governors or the Bylaws.
- (d) Treasurer. The Treasurer shall serve as the Chief Financial Officer of the Corporation and shall attend to the following:

- (i) Books of Account. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Governor at all reasonable times.

- (ii) Deposit and Disbursement of Money and Valuables. The Treasurer shall deposit all money and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Governors; shall disburse funds of the Corporation as may be ordered by the Board of Governors; shall render to the Chair and Governors, whenever they request it, an account of all financial transactions and of the financial condition of the Corporation; and shall have other powers and perform such other duties as may be prescribed by the Board of Governors or the Bylaws.

- (iii) Bond. If required by the Board of Governors, the Treasurer shall give the Corporation a bond in the amount and with the surety specified by the Board for the faithful performance of the duties of his or her office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his or her possession or under his or her control on his or her death, resignation, retirement, or removal from office.

SECTION 8.8 EXECUTIVE DIRECTOR

The Board of Governors shall employ an Executive Director who shall have the following responsibilities:

The Executive director will work with the Officers, Governors and advisors of the Board to develop the vision, mission and goals of the Santa Lucia Conservancy;

The Board holds the Executive Director responsible for the development, Board approval and implementation of annual goals and budgets;

The Executive Director is responsible for supervising staff and managing the day-to-day business of the organization consistent with state and federal laws governing charitable and nonprofit corporations, and policies and procedures adopted by the Board of Governors;

The Executive Director is responsible for maintaining effective and timely communication with the Board of Governors on business matters directing relating to the role of the Board;

Only decisions of the Board or Management Committee acting as a body are binding upon the Executive Director;

The Executive Director serves as the lead representative for the organization to the public, government agencies, and conservation and business communities;

The Executive Director has the authority and responsibility to enter into legal transactions, including contracts for services, on behalf of the organization once approval of the Board of Governors has been granted, and

The Executive Director is responsible for creating a work environment that stimulates excellence and the highest professional standards among staff.

ARTICLE IX RECORDS AND REPORTS

SECTION 9.1 MAINTENANCE OF ARTICLES AND BYLAWS

The Corporation shall keep at its principal executive office the original or a copy of the Articles and Bylaws as amended to date.

SECTION 9.2 MAINTENANCE OF OTHER CORPORATE RECORDS

The accounting books, records, and minutes of the proceedings of the Board of Governors and any committee (s) of the Board of Governors shall be kept at such place or places designated by the Board of Governors, or, in the absence of such designation, at the principal executive office of the Corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept in either written or typed form or in any other form capable of being converted into written, typed, or printed form.

SECTION 9.3 INSPECTION BY GOVERNORS

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

SECTION 9.4 ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS

The Corporation shall prepare and mail or deliver to each Governor an annual statement of the amount and circumstances of any transaction or indemnification of the following kind:

- (a) Any transaction(s) in which the Corporation was a party, and in which any Governor or Officer of the Corporation had a direct or indirect financial interest.
- (b) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any Officer or Governor of the

Corporation pursuant to Article 11 hereof, unless such indemnification has already been approved pursuant to Section 10.1.

ARTICLE X

CONFLICT OF INTEREST POLICY

SECTION 10.1 CONTRACTS WITH GOVERNORS AND OFFICERS

- (a) No Governor or Officer of this Corporation, nor any other corporation, firm, association, or other entity in which one or more of this Corporation's Governors or Officers are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this Corporation, unless (i) the material facts regarding such Governor's or Officer's financial interest in such contract or transaction and/or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all members of the Board prior to consideration by the Board of such contract or transaction; such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote or votes of such interested Governor(s); (iii) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation under the circumstances that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (iv) this Corporation enters into the transaction for its own benefit, and the transaction is fair and reasonable to this Corporation at the time the transaction is entered into.
- (b) The provisions of this section do not apply to a transaction which is part of an educational or charitable program of the Corporation if it: (i) is approved or authorized by the Corporation in good faith and without unjustified favoritism; and (ii) it results in a benefit to one or more Governors or Officers or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this Corporation.
- (c) Neither the Board of Governors, nor any member thereof, nor any Officer, agent or employee of the Santa Lucia Conservancy shall engage in any transaction that would subject the Conservancy to a tax on self-dealing.

SECTION 10.2 LOANS TO GOVERNORS AND OFFICERS

The Corporation shall not make any loan of money or property to or guarantee the obligation of any Governor or Officer, unless approved by the Attorney General of the State of California; provided, however, that the Corporation may advance money to a Governor or Officer of the Corporation for expenses reasonably anticipated to be incurred in the

performance of the duties of such Governor, provided that in the absence of advance such Governor or Officer would be entitled to be reimbursed for such expenses by the Corporation.

SECTION 10.3 VOTING BY INTERESTED DIRECTORS

No member of the Board of Governors shall vote on the approval of any transaction in which the member has a material financial interest, or on any other matter in which the member is an "interested director" as defined in Section 5233 of the California Nonprofit Corporations Law or any successor provision, except to the extent specifically authorized by such Section. If requested by the Chair or by a vote of the Board, any interested director shall leave the room during all or part of the discussion of any potential transaction with the interested director.

ARTICLE XI

INDEMNIFICATION OF GOVERNORS AND OFFICERS

SECTION 11.1 RIGHT TO INDEMNIFICATION

This Corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any action or proceeding by reason of the fact that such person is or was an Officer, Governor, or agent of this Corporation, or is or was serving at the request of this Corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, or other enterprise, against expenses, judgment, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding, to the fullest extent permitted under the Nonprofit Corporation Law of the State of California, if such person acted in good faith and manner such person reasonably believed to be in the best interests of the corporation, and in such case of criminal proceeding, has no reasonable cause to believe the conduct of such person was unlawful, or as otherwise required under section 5238(b) of the Nonprofit Corporation Law.

In determining whether indemnification is available to any Governor, Officer or agent of this Corporation under California law, the determination as to whether the applicable standard of conduct set forth in Section 5238 of the California Nonprofit Corporation Law has been met shall be determined either by: (1) a majority vote of a quorum of Governors who are not parties to the proceeding, or (2) by the court in which the proceeding is or was pending.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled, and shall continue as to a person who has ceased to be an Officer, Governor, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

SECTION 11.2 INSURANCE

This Corporation shall have the power to purchase and maintain insurance on behalf of any Governor, Officer, or agent of the Corporation, against any liability asserted against or incurred by the Governor, Officer, or agent in any such capacity or arising out of the Governor's, Officer's, or agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under Section 11.1 of these Bylaws; provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any Governor, Officer, or agent of the Corporation for any self-dealing transactions, as described in Section 5233 of the California Nonprofit Corporation Law.

ARTICLE XII

FISCAL YEAR

The fiscal year of the Corporation shall be the calendar year, January 1 through December 31.

ARTICLE XIII

CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, and the plural number includes the singular.

ARTICLE XIV

AMENDMENTS

Bylaws may be adopted, amended, or repealed by a majority vote of the entire Board of Governors; provided, however, that any amendment of Article VI, section 6.2(b), Article VII, or this Article XIV shall require the affirmative vote of the Governor appointed by The Sonoran Institute (or the appointee of such successor organization as shall have been substituted for The Sonoran Institute pursuant to Section 4.2 of these Bylaws).

ARTICLE XV

POWERS RELATED TO THE PRESERVE COMPANY

SECTION 15.1 APPOINTMENT OF REPRESENTATIVE TO PRESERVE COMPANY

In addition to the powers set forth in Section 6.1, the Corporation shall appoint a representative Board member to the Board of Directors of the Preserve Company, which has been created for the purpose of providing services and facilitating cooperation amongst the various entities managing and operating the Santa Lucia Preserve, a community of 300 homes and 20,000 acres of privately protected land located in Carmel, Monterey County, California. No such appointment by the Corporation shall authorize or result in the Corporation providing "support" or "benefit" to the Preserve Company as said terms are used in the Internal Revenue Code or the Treasury Regulations.

The Corporation's rights and obligations with respect to the Preserve Company shall be as set forth in these Bylaws.

SECTION 15.2 RIGHT TO CONTRACT

The Corporation and the Preserve Company may enter into agreements with each other. The Corporation shall not make any payments to the Preserve Company unless determined by the Corporation to be in compliance with the limitations imposed upon it by applicable law or regulation, including without limitation, the Internal Revenue Code, the Treasury Regulations and the California Revenue and Taxation Code.

SECTION 15.3 RESOLUTION OF DISPUTES

Subject to the limitations herein, the Corporation agrees that in the event of a "Dispute" with respect to a Preserve-Wide Issue, as those terms are defined herein, the Corporation shall use good faith efforts to resolve any such Dispute to which it is a "Necessary Party" by an alternative dispute resolution procedure established by the Preserve Company Bylaws in effect as of the date of this Amendment. In the event that a Dispute in a non-binding proceeding has not been resolved within the timeframes set forth in Section 4.18(c) of the Preserve Company Bylaws, then the Corporation shall be free to proceed by all legal means available. In addition and irrespective of the foregoing, the Corporation reserves the right to court proceedings for equitable relief including, but not limited to, injunctive relief pending resolution of any Dispute during any alternative dispute resolution proceeding.

For purposes of these Bylaws, the terms Preserve-Wide Issue, "Necessary Party" and "Dispute" shall have the meanings described in Sections 4.16 through 4.18, respectively, in the Bylaws of the Preserve Company.

The Corporation shall not make any payments to the Preserve Company for dispute resolution services except in compliance with the limitations imposed upon it by applicable law or regulation, including without


limitation, the Internal Revenue Code, the Treasury Regulations and the California Revenue and Taxation Code.

CERTIFICATE OF SECRETARY

I, the undersigned, the duly elected Secretary of SANTA LUCIA CONSERVANCY, a California non-profit corporation, do hereby certify:

That the foregoing Bylaws consisting of _____ pages were adopted as the Amended and Restated Bylaws of the Corporation by the Governors of the Corporation on June 5, 2011 and the same do now constitute the Bylaws of said Corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 13
day of January, 2012.



Thomas J. P. McHenry Secretary

EXHIBIT "A"

BOARD OF GOVERNORS

Dr. William W. Shaw	Chair
Denise Duffy O'Toole	Vice Chair
Candace Skarlatos	Treasurer
Thomas J. P. McHenry, Esq.	Secretary
Fred P. Bosselman, Esq.	
Nancy Forster	
Thomas A. Gray	
Dr. William W. Lewis	
Arnold S. Moss	
Richard G. Rayburn	
Dr. Jan van Wagtendonk	
Dr. Jennifer R. Wolch	