

**BYLAWS OF
BAHAMA VILLAGE DOCKS, INC.
A California Nonprofit Mutual Benefit Corporation**

ARTICLE I

NAME

The name of this corporation is Bahama Village Docks, Inc.

ARTICLE II

OFFICES

2.01 PRINCIPAL OFFICE

The current principal office for the transaction of the activities and affairs of the corporation ("principal office") is located at 1001 B Avenue, Suite 202, Coronado, CA 92118. The Board of Directors ("the Board") may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

2.02 OTHER OFFICES

The Board may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

ARTICLE III

PURPOSES AND LIMITATIONS

3.01 PURPOSES

This corporation is a nonprofit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law. Such purposes for which this corporation is formed are pleasure, recreation and other non-profitable purposes. This corporation is organized exclusively for such purposes within the meaning of section 501(c)(7) of the Internal Revenue Code of 1954. Notwithstanding any other provision of these Bylaws, this corporation shall not, except to an insubstantial degree, carry on or engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under section 501(c)(7) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law); (ii) by a corporation, contributions to which are deductible under section 170(c)(2) of the

Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

The specific purpose of this corporation is to own, manage, maintain, repair, rent and dispose of, if necessary, in accordance with the law, the boat slips located within and adjacent to the Bahama Village section of the Coronado Cays development, Coronado, California, solely for the benefit of the homeowners and residents of Bahama Village in the Coronado Cays development, Coronado, California. The further specific purpose of this corporation is to cultivate and promote social intercourse between the homeowners and residents of Bahama Village through supporting sailing and yachting activities and other related social activities as the Board may determine from time to time.

3.02 LIMITATIONS

(a) Political activity. No substantial part of the activities of this corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, and this corporation shall not participate in or intervene in (including the publishing or distributing of statements in connection with) any political campaign on behalf of any candidate for public office.

(b) Property. The property, assets, profits and net income are dedicated irrevocably to the purposes set forth in section 3.01 above. No part of the profits or net earnings of this corporation shall ever inure to the benefit of any of its directors, trustees, officers, members, employees, or to the benefit of any private individual.

ARTICLE IV

MEMBERSHIP

4.01 QUALIFICATIONS AND RIGHTS OF MEMBERSHIP

(a) Classes and qualifications. This corporation shall have one or more classes of members, consisting of persons dedicated to the purposes of this corporation, who meet the qualifications for membership, as the Board may determine shall be eligible for membership on approval of the membership application by the Board and on timely payment of such dues, fees and assessments as the Board may fix from time to time.

(b) Members. The membership shall consist of three classes; Class A; Class B; and Class C.

(l) Class A members shall consist of accepted and paying members who are homeowners of Bahama Village comprised of III homes. There shall be III Class A memberships. Class A memberships may not be divided. Class A members shall pay the fees, dues and assessments in the amounts to be fixed from time to time by the Board. Class A members shall have first rights and priority with respect to slip availability as fixed by the Board. Class A members shall be entitled to vote and hold office in the corporation.

(2) Class B members shall consist of members who are homeowners of Bahama Village, but who do not otherwise elect to become Class A members. Class B members shall pay the fees, dues and assessments associated with slip use in the amounts to be fixed from time to time by the Board. Class B members shall have the rights with respect to slip availability and priority as fixed by the Board subject to the rights and priority of Class A members. Class B members shall not be entitled to vote nor hold office in the corporation.

(3) Class C members shall consist of residents of Bahama Village who are not homeowners. Class C members shall pay the fees, dues and assessments associated with slip use in the amounts to be fixed from time to time by the Board. Class C members shall have rights with respect to slip availability and priority as fixed by the Board subject first to the rights and priority of Class A members and second the rights and priorities of Class B members. Class C members shall not be entitled to vote nor hold office in the corporation.

4.02 DUES, FEES AND ASSESSMENTS

Each member must pay, within the time and on the conditions set by the Board, the dues, fees and assessments in amounts to be fixed from time to time by the Board for each class.

(a) There shall be an initial fee for Class A membership fixed by the Board as follows:

(1) \$4,000.00 if paid by October 15, 1989; or

(2) \$4,500.00 if paid by November 15, 1989; or

(3) \$5,000.00 if paid by November 15, 1990; or

(4) After November 15, 1990, the Class A membership fee will increase at the rate of twelve percent (12%) per year.

(5) Commencing on November 15, 2005 the Class A membership fee will increase at the rate of eight percent (8%) per year. (second change)

(6) Commencing on November 15, 2012 the Class A membership fee will increase at the rate of two percent (2%) per year unless the cost of living increases four percent (4%). In that case the rate will be four percent (4%). (third change)

(b) The rights and privileges of Class A membership shall be set by the Board from time to time, but Class A members shall be entitled to vote, to hold office and to have the first priority regarding slip availability and assignment. Class B members shall not be entitled to vote or hold office and shall have second priority after the Class A members to slip availability and assignment. Class B members shall be entitled at any time to become Class A members upon the payment of the

necessary fees, dues and assessments as determined by the Board of Directors. Class C members shall not be entitled to vote or hold office and are entitled to slip availability, assignment and usage as is available and as determined by the Board of Directors. Class C members, because of their status as residents of Bahama Village but not homeowners of Bahama Village, shall not be entitled to become Class A or Class B members.

(c) Assessments for use of specific slips shall be fixed from time to time by the Board.

4.03 GOOD STANDING

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

4.04 TERMINATION AND SUSPENSION OF MEMBERSHIP

(a) Causes of termination. A membership shall terminate on occurrence of any of the following events:

(1) Resignation of the member on reasonable notice to the corporation;

(2) Failure of the member to pay dues, fees or assessments as set by the Board within the period of time set by the Board after they become due and payable;

(3) Occurrence of any event that renders the member ineligible for membership or failure to satisfy membership qualifications; or

(4) Expulsion or suspension of the member pursuant to sections 4.04(b) and 4.04(c) of these Bylaws.

(b) Suspension of membership. A member may be suspended under section 4.04(c) 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 corporation or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation.

A person whose membership is suspended shall not be a member during the period of suspension.

(c) Procedure for expulsion or suspension. If grounds appear to exist for expulsion or suspension of a member, the procedure set forth below shall be followed:

(1) The member shall be given fifteen (15) days prior notice of the proposed expulsion or suspension and the reasons for the proposed expulsion or

suspension. Notice shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be sent by first class or registered mail to the member's last address as shown on the records of the corporation.

(2) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed 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.

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

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

4.05 TRANSFER OF MEMBERSHIPS

A membership or any right arising from membership may be transferred to another person meeting the qualifications set forth in section 4.01(a) of these Bylaws only on the approval of the Board. The Board may by resolution impose transfer fees or other conditions on the transferring party as it deems fit, provided those fees and conditions are the same for similarly situated members.

Commencing on August 15, 2017, transfers from a member to another member or non-member Bahama Village homeowner not involved with the sale of their house, a "Non-House Sale" related transfer, shall incur a \$9,000 flat rate transfer fee (4/2019) with the sale terms required to be confirmed and provided in writing and signed under penalty of perjury by seller and buyer between the parties to BVD, Inc., along with payment to BVD, Inc. before any transfer will be approved or finalized.

Bona fide gifts or transfers on death of a Class 'A' membership to family members or placing a membership in their self-trusted living trust, homeowner controlled corporation, LLC or partnership would not incur the "Non-House Sale" transfer fee.

4.06 MEETINGS OF MEMBERS

(a) Place of meeting. Meetings of the members shall be held at any place within San Diego County, California designated by the Board. In the absence of such designation, members' meetings shall be held at the principal office of the corporation.

(b) Annual meeting. An annual meeting of members shall be held on a date during the first fifteen days of May. Saturday meetings shall be at 10:00 AM and weekday meetings held a 7:00 PM, unless the Board fixes another date or time and

so notifies the members as provided in section 4.06 (d) of these Bylaws. At this meeting directors shall be elected and any other proper business may be transacted, subject to the notice requirements of section 4.06(d)(3) of these Bylaws. (first change)

(c) Special meetings. A special meeting of the members may be called for any lawful purpose by a majority vote of the Board or by the President or by five percent (5%) or more of the members. A special meeting called by any person(s) (other than the Board) entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted and submitted to the Chairman of the Board, if any, or the President or any Vice President or the Secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with section 4.06(d) of these Bylaws, stating that a meeting will be held at a special time and date fixed by the Board, provided, however, that the meeting date shall be at least thirty-five (35) but no more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after the request is received, the person(s) requesting the meeting may give the notice. Nothing in this section shall be construed as limiting, fixing or affecting the time at which a meeting of members may be held when the meeting is called by the Board.

No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

(d) Notice requirements for members' meetings

(1) General notice requirements. Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given in accordance with section 4.06(d) of these Bylaws to each member entitled to vote at the meeting. The notice shall specify the place, date and hour of the meeting and (i) for a special meeting, the general nature of the business to be transacted and no other business may be transacted, or (ii) for the annual meeting, those matters that the Board, at the time notice is given, intends to present for action by the members, but any proper matter may be presented at the meeting. The notice of any meeting at which directors are to be elected or written ballots distributed for the election of directors shall include the names of all persons who are nominees when the notice or the ballot is given.

(2) Manner of giving notice. Notice of any meeting of members shall be in writing and shall be given at least ten (10) days but no more than ninety (90) days before the meeting date. The notice shall be given either personally or by first class, registered or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote at the address given by the member to the corporation for purposes of notice. If no address appears on the books of the corporation and no address has been so given, notice shall be deemed to have been given if either (i) notice is sent to that member by first class mail or telegraphic or other written communication delivered to the principal office of the corporation or (ii) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

(3) Quorum - number required. A majority of the voting members, present in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of members.

(4) Adjournment and notice of adjourned meetings. Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than forty-five (45) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

(e) Voting.

(I) Eligibility to vote. Subject to the provisions of the California Nonprofit Corporation Law, the only person entitled to vote at any meeting of members shall be Class A members who are in good standing as of the record date determined pursuant to section 4.07 of these Bylaws.

(2) Voting. Each Class A membership shall be entitled to cast one vote for each Class A membership held on each matter submitted to a vote of the members. Cumulative voting shall not be permitted.

(3) Approval by majority vote. If a quorum is present, the affirmative vote of a majority' of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be the act of the members, unless the vote of a greater number or voting by classes is required by the California Nonprofit Corporation Law or by the Articles of Incorporation.

(f) Waiver of notice or consent by absent members.

(I) Written waiver or consent. The transactions of any meeting of members, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (i) a quorum is present either in person or by proxy and (ii) either before or after the meeting, each member entitled to vote, not present in person or by proxy, signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

4.06 ACTION WITHOUT A MEETING

(a) Action by unanimous written consent. Any action required or permitted to be taken by the members may be taken without a meeting if all members consent in writing to the action. The written consent(s) shall be filed in the corporate minute book. Any actions taken by the written consent shall have the same force and effect as the unanimous vote of the members.

4.07 PROXIES

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

(b) Form of solicited proxies. If the corporation has one hundred (100) or more members, any form of proxy distributed to ten (10) or more members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters, and shall provide, subject to reasonable specified conditions, that when the person solicited specifies a choice with respect to any such matter, the vote shall be cast in accordance with that specification. In any election of directors, any form of proxy that a member marks "withhold" or otherwise marks in a manner indicating that authority or vote for the election of directors is withheld shall not be voted either for or against the election of a *director*.

(c) Requirement that general nature of subject of proxy be stated. Any proxy covering matters for which a vote of the members is required, including amendments of the Articles of Incorporation or Bylaws changing voting rights; removal of directors without cause; filling vacancies on the Board of Directors; the sale, lease, exchange, conveyance, transfer or other disposition of all or substantially all of the corporate assets, unless the transaction is in the usual and regular course of the activities of the corporation; the principal terms of a merger or the amendment of a merger agreement; or the election to dissolve the corporation, shall not be valid unless the proxy sets forth the general nature of the matter to be voted on or, with respect to an election of directors, the proxy lists those who have been nominated at the time the notice of the election is given to the members.

(d) Revocability. A validly executed proxy shall continue in full force and effect until:

(1) Revoked by the member executing it, before the vote is cast under that proxy, (i) by a writing delivered to the corporation stating that the proxy is revoked, or (ii) by a subsequent proxy executed by that member and presented to the meeting, or (iii) as to any meeting, by that member's personal attendance and voting at the meeting; or

(2) Written notice of death or incapacity of the maker of the proxy is received by the corporation before the vote under that proxy is counted, provided,

however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three (3) years from the date of execution. A proxy may not be irrevocable. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the California Nonprofit Corporations Code.

4.08 RECORDS

The Secretary shall keep or cause to be kept, at the principal office of the corporation, or at a place determined by resolution of the Board, a record of the members of the corporation showing each member's name, address and class of membership.

4.09 ANNUAL REPORT

The Board shall cause an annual report to be sent to the members within seventy-five (75) days after the end of the fiscal year of the corporation. That report shall contain the information specified in Article IX section 9.03 of these Bylaws.

ARTICLE V DIRECTORS

5.01 POWERS

(a) **General corporate powers.** Subject to the provisions and limitations of the California Nonprofit Corporation Law and any other applicable laws, and any limitations of the Articles of Incorporation and of these Bylaws, the activities and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

(b) **Specific powers.** Without prejudice to these general powers, but subject to the same limitations, the directors shall have the power to:

(1) Appoint and remove, at the pleasure of the Board, all officers, agents and employees of the corporation; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation and with these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

(2) Change the principal office or the principal business office in the State of California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency or country and conduct its activities within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting, including annual meetings.

(3) Adopt and use a corporate seal and alter the form thereof.

(4) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the purposes of the corporation, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt and securities.

5.02 NUMBER AND ELECTION OF DIRECTORS AND RESTRICTIONS ON DIRECTORS

(a) Authorized number. The authorized number of Directors shall be five (5). Directors need not be residents of the State of California.

(b) Election of Directors. Directors shall be elected at each annual meeting of the members to hold office until the next annual meeting, subject to paragraph 5.03; however, if any annual meeting is not held or the Directors are not elected at any annual meeting, they may be elected at any special member's meeting held for that purpose. Each Director, including a Director elected to fill a vacancy or elected at a special member's meeting, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified.

5.03 TERM OF OFFICE OF DIRECTORS

The initial directors of this corporation shall hold office for a term of two (2) years. At the end of the two (2) year term and thereafter each of the directors shall be elected to hold office for a term of one (1) year.

5.04 VACANCIES

(a) Events causing vacancy. A vacancy or vacancies on the Board shall exist on the occurrence of the following: (i) the death, removal, suspension or resignation of any Director; or (ii) the declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under California Nonprofit Corporation law.

(b) Resignations. Except as provided in this subsection, any Director may resign effective upon giving written notice to the Chairman of the Board, if any, or the President or the Secretary of the Board, unless such notice specifies a later time for the resignation to become effective. Except upon notice to the Attorney General of the State of California no Director may resign when the corporation would then be left without a duly elected Director or Directors in charge of its affairs.

(c) Filling Vacancies. Any vacancy on the Board shall be filled by vote of the remaining Directors, whether or not less than a quorum, or by a sole remaining Director.

(d) No vacancy on reduction of number of Directors. No reduction of the authorized number of Directors shall have the effect of removing any Director before the Director's term of office expires.

5.05 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

Meetings of the Board shall be held at the principal office of the corporation or at such other place as has been designated by the Board. In the absence of any such designation, meetings shall be held at the principal office of the corporation. Any meeting may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting.

5.06 ANNUAL, REGULAR AND SPECIAL MEETINGS

(a) **Annual Meeting.** The Board shall hold an annual meeting immediately following the annual meeting of the membership, for the purpose of organization, election of officers and the transaction of other business; provided, however, that the Board may fix another time for the holding of its annual meeting. Notice of this meeting shall not be required.

(b) Special Meetings

(1) **Authority to Call.** Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if any, the President or any Vice President, or the Secretary or any two Directors.

5.07 QUORUM

A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in section 5.09. Subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, those provisions relating to (i) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (ii) approval of certain transactions between corporations having common directorship, (iii) creation of an appointment of committees of the Board and (iv) indemnification of Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

5.08 WAIVER OF NOTICE

Notice of a meeting need not be given any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting. The waiver of notice or consent need

not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given any Director who attends the meeting without protestin9 before or at its commencement the lack of notice to such Director.

5.09 ACTION WITHOUT MEETING

Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

ARTICLE VI

COMMITTEES

6.01 COMMITTEES OF THE BOARD

The Board, by resolution adopted by a majority of the Directors then in office, may create one or more committees, each consisting of one or more Directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of any such committee, who may replace an absent member at any meeting.

ARTICLE VII

OFFICERS

7.01 OFFICERS

The officers of the corporation shall include a President, a Secretary, and a Chief Financial Officer. The corporation may also have, at the Board's discretion, a Chairman of the Board, one or more Vice Presidents, one or more assistant Secretaries, one or more assistant Treasurers, and such other officers as may be appointed in accordance with Section 7.03 of these Bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as either the President or the Chairman of the Board.

7.02 ELECTION OF OFFICERS

The officers of the corporation, except those appointed in accordance with the provisions of Section 7.03 of this Article VII, shall be chosen by the Board of Directors, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

7.03 OTHER OFFICERS

The Board may appoint and may authorize the Chairman of the Board or the President or another officer to appoint any other officers that the corporation may require, each of whom shall have the title, hold office for the period, have the authority and perform the duties specified in the Bylaws or determined from time to time by the Board.

7.04 REMOVAL OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors, or, except in case of an officer chosen by the Board of Directors, by an officer on whom such power of removal may be conferred by the Board of Directors.

7.05 RESIGNATION OF OFFICERS

Any officer may resign upon written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

7.06 VACANCIES IN OFFICE

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

7.07 RESPONSIBILITIES OF OFFICERS

(a) **Chairman of the Board.** If a Chairman of the Board is elected, he or she shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no President, the Chairman of the Board shall also be the Chief Executive Officer and shall have the powers and duties of the President of the corporation prescribed by these Bylaws.

(b) **President/Chief Executive Officer.** Subject to the control and supervision of the Board, the President shall be the Chief Executive Officer and general manager of the corporation and shall generally supervise, direct and control, the activities and affairs and the officers of the corporation. The President, in the absence of the Chairman of the Board, or if there be none, shall preside at all meetings of the Board. The President shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

(c) **Vice Presidents.** In the absence or disability of the President the Vice Presidents, if any, in order of their rank, shall perform all of the duties of the President, and, when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. The Vice Presidents shall have such other

powers and perform such other duties as from time to time may be prescribed for them by the Board or the Bylaws.

(d) Secretary.

(1) Book of Minutes. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may direct, a book minutes of all meetings and actions of the Board and of committees of the Board. The Secretary shall also keep, or cause to be keep, at the principal office in the State of California, a copy of the Articles of Incorporation and Bylaws, as amended to date. If the corporation is one having members, the Secretary shall also maintain a complete and accurate record of the membership of the corporation, as well as a record of the proceedings of all meetings of the membership.

(2) Notices, seal and other duties. The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these 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 or the Bylaws.

(e) Chief Financial Officer.

(1) Books of account. The Chief Financial Officer of the corporation shall keep or maintain, or cause to be kept or maintained, adequate and correct books and accounts of the properties and transactions of the corporation, and shall send or cause to be sent to the Directors such financial statements and reports as are required by law or these Bylaws to be given. The books of account shall be open to inspection by any Director at all reasonable times.

(2) Deposit and disbursement of money and valuables. The Chief Financial Officer 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, shall disburse the funds of the corporation as may be ordered by the Board, shall render to the President or Chairman of the Board, if any, when requested, an account of all transactions as Chief Financial Officer 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 or the Bylaws.

ARTICLE VIII

INDEMNIFICATION AND INSURANCE

8.01 INDEMNIFICATION

(a) Right of Indemnity. To the full extent permitted by law, this corporation shall indemnify its Directors, officers, employees and other persons described in Section 7237(a) of the California Corporation Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any

"proceeding," as that term is used in such Section and including an action by or in the right of the corporation, by reason of the fact that such person is or was a person described by such Section. "Expenses," as used in this Bylaw shall have the same meaning as in Section 7237 (a) of the California Corporation Code.

(b) **Approval of Indemnity.** Upon written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporation Code, the Board shall promptly determine in accordance with Section 7237(e) of the Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought is such as to prevent the formation of a quorum of Directors who are not parties to such proceeding, the Board or the attorney or other person rendering services in connection with the defense shall apply to the court in which such proceeding is or was pending to determine whether the applicable standard of conduct set forth in Section 7237(b) to Section 7237(c) has been met.

8.02 INSURANCE

The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees and other agents of the corporation, against any liability asserted against or incurred by an officer, Director, employee or agent in such capacity or arising out of the officer's, Director's, employee's or agent's status as such.

ARTICLE IX

RECORDS AND REPORTS

9.01 MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Minutes in written form of the proceedings of the Board;
- (c) If applicable, a record of its members, giving their names and addresses and the class of membership held.

9.02 INSPECTION BY DIRECTORS

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 corporation and the records of each of its subsidiary corporations. This inspection by a Director 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.

9.03 ANNUAL REPORT

Except as provided under Section 8321 of the California Corporation Code, not later than seventy-five (75) days after the close of the fiscal year of the corporation, the Board shall cause an annual report to be sent to all members of the Board. Such report shall contain the following information in reasonable detail:

(1) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year.

(2) The principal changes in assets and liabilities, including trust funds during the fiscal year.

(3) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.

(4) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.

(5) Any information required by Section 9.04.

9.04 ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS

The corporation shall prepare annually and furnish to each director a statement of any transaction or indemnification of the following kind within seventy-five (75) days after the close of the fiscal year of the corporation:

(a) Any transaction to which the corporation, its parent or its subsidiary was a party, and in which any Director or officer of the corporation, its parent or subsidiary (but mere common directorship shall not be considered such an interest, if such transaction involved over fifty thousand dollars (\$50,000), or was one of a number of transactions with the same person involving, in the aggregate, over fifty thousand dollars (\$50,000).

(b) Any indemnifications or advances aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or Director of the corporation pursuant to Section 8.01 hereof.

The statement shall include a brief description of the transaction, the names of the Director(s) or officer(s) involved, their relationship to the corporation, 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 partnership in which such person is a partner, only the interest of the partnership need be stated.

ARTICLE X

CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction and definitions in the California Nonprofit Mutual Benefit 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 includes the plural and the plural includes the singular and the term "person" includes both a legal entity and a natural person.

ARTICLE XI

AMENDMENTS

11.01 ADOPTION OR AMENDMENT BY MEMBERS

New Bylaws may be adopted or these Bylaws may be amended or repealed by approval of a majority of the Class A members of the corporation.

The terms "majority," as used in this section, is as defined in the California Nonprofit Corporation Law.

11.02 AMENDMENT BY BOARD OF DIRECTORS

Subject to the right of members under Section 11.01 hereinabove, Bylaws other than a Bylaw fixing or changing the authorized number of Directors, or the minimum and maximum number of Directors, or a Bylaw materially and adversely affecting the rights of members as to voting or transfer, may be adopted, amended, or repealed by a majority vote of the Board of Directors.

11.03 MAINTENANCE OF RECORDS

The Secretary of the corporation shall see that a true and correct copy of all amendments of the Bylaws, duly certified by the Secretary, is attached to the official Bylaws, of the corporation and is maintained with the official records of the corporation at the principal office of the corporation.

AMENDMENTS DULY ENACTED

1. First Amendment enacted at the Annual Meeting of June 3, 2000.

Change paragraph 4.06 (b) to read as follows:

Annual meeting. An annual meeting of members shall be held on a date during the first fifteen days of May. Saturday meetings shall be held at 10:00 AM and weekday meetings held at 7:00 PM., unless the Board fixes another date or time and so notifies members as provided in section 4.06 (d) of these Bylaws. At this meeting directors shall be elected and any other proper business may be transacted, subject to the notice requirements of section 4.06 (d) (3) of these Bylaws.

2. Second Amendment enacted at the Annual Meeting of May 14, 2005.

Add paragraph (5) to section 4.02 (a) to read as follows:

(5) Commencing on November 15, 2005 the Class A membership fee will increase at the rate of eight percent (8%) per year. (second change)

3. Third Amendment enacted at the Annual Meeting of May 3, 2012.

Add paragraph (6) to section 4.02 (a) to read as follows:

(6) Commencing on November 15, 2012 the Class A membership fee will increase at the rate of two percent (2%) per year unless the cost of living increases four percent (4%). In that case the rate will be four percent (4%). (third change)