

BYLAWS OF RAMONA ADULT SOFTBALL ASSOCIATION
A California Nonprofit Public Benefit Corporation

ARTICLE 1

OFFICES

Section 1.1 Principal Office.

The corporation's principal office shall be 929 Elm Street, Ramona, San Diego County, California. The Board of Directors ("Board") is granted full power and authority to change the principal office from one location to another within the County of San Diego.

Section 1.2 Other Offices.

Branch or subordinate offices may be established at any place or places by the Board at any time within the County of San Diego.

ARTICLE 2

PURPOSE

Section 2.1 Description in Articles.

The specific and general purposes of the corporation are described in the Articles of Incorporation.

ARTICLE 3

NO MEMBERS

Section 3.1 No Members.

The corporation shall have no members. Any action which would otherwise by law require approval by a majority of all members or approval by the members shall require only approval of the Board. All rights which would otherwise by law vest in the members shall vest in the Board.

Section 3.2 Associates.

Nothing in this Article 3 shall be construed to limit the corporation's right to refer to persons associated with it as "members" even though such persons are not members, and no such reference by the corporation shall render anyone a member within the meaning of Section 5056 of the California Nonprofit Corporation Law. Such individuals may originate and take part in the discussion of any subject that may properly come before any meeting of the Board, but may not vote. The corporation may confer, by amendment of its Articles of Incorporation or of these

Bylaws, some or all of the member's rights, set forth in the California Nonprofit Corporation Law, upon any person who does not have the right to vote for the election of directors, on a disposition of substantially all of the assets of the corporation, on a merger, on a dissolution, or on changes to the corporation's Articles of Incorporation or Bylaws, but no such person shall be a member within the meaning of said Section 5056. The Board may also, but without establishing memberships, create an advisory council or honorary Board or such auxiliary groups as it deems appropriate to advise and support the corporation.

ARTICLE 4

DIRECTORS

Section 4.1 General Powers.

Subject to the limitations of the California Nonprofit Public Benefit Corporation Law, the corporation's Articles of Incorporation and these Bylaws, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the corporation's activities to any person(s), management company or committees, however composed, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board. No assignment, referral or delegation of authority by the Board or anyone acting under such delegation shall preclude the Board from exercising full authority over the conduct of the corporation's activities, and the Board may rescind any such assignment, referral or delegation at any time.

Section 4.2 Specific Powers.

Without prejudice to its general powers, but subject to the same limitations set forth above, the Board shall have the following powers in addition to any other powers enumerated in these Bylaws and permitted by law:

- a. To select and remove all of the officers, agents and employees of the corporation; to prescribe powers and duties for them which are not inconsistent with law, the corporation's Articles of Incorporation or these Bylaws;
- b. To conduct, manage and control the affairs and activities of the corporation and to make such rules and regulations thereof which are not inconsistent with law, the corporation's Articles of Incorporation or these Bylaws, as it deems best;
- c. To register players, establish playing rules generally consistent with the official rules of softball, establish team schedules, provide facilities and leadership, ensure a adequate training of umpires and managers, and take disciplinary and corrective measures as reasonably required to maintain order within the organization;

d. To carry on the fiscal affairs of the organization, using sound business judgment and to apply any revenues in excess of expenses that result from the activities of the corporation to any activity in which it may lawfully engage;

e. To do any and all other things incidental or expedient to the attainment of any corporate purpose.

Section 4.3 Number, Election and Term of Directors.

a. The authorized number of directors shall be not less than five (5) and not more than nine (9) until changed by amendment of the corporation's Articles of Incorporation or these Bylaws. The exact number of directors shall be fixed, within the limits specified in this Section, by a resolution of the Board.

b. The initial directors shall be Barry Beatty, Robert Beasley, Monique Roberts, Stephanie Norvell, and Lisa "Chris" Anderson. The term of a director shall be two (2) years, provided that two (2) of the initial directors shall have an initial term of one (1) year, so that the election of two (2) directors will be staggered. Thereafter, the directors whose terms are expiring shall be elected at the annual meeting of the Board. Each director shall serve until a successor has been elected and qualified.

c. The President shall appoint a Nomination Committee consisting of three (3) directors, on or before November 1 of each year. This committee shall solicit and receive nominations from persons participating in the corporation's most recent softball season ("Participants") and shall place in nomination the names of not more than five (5) of the persons receiving the most nominations from the Participants for each directorship to be filled, and report to the President prior to December 1 of each year. Any Participant is eligible to become a director. The committee shall contact proposed nominees to determine their availability before placing their names in nomination.

Section 4.4 Resignation and Removal.

Subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any director may resign effective upon giving written notice to the President, the Secretary or the Board, unless the notice specifies a later effective time. If the resignation is effective at a future time, a successor may be selected before such time, to take office when the resignation becomes effective. A director may be removed without cause by a majority of the board members then in office.

Section 4.5 Vacancies.

a. A Board vacancy or vacancies shall be deemed to exist if any director dies, resigns, or is removed, or if the authorized number of directors is increased.

b. The Board may declare vacant the office of any director who has been convicted of a felony, or has been found to have breached any duty arising under the Article 3 of Chapter 2

of the California Nonprofit Public Benefit Corporation Law or to be of unsound mind, by any court of competent jurisdiction, or who has not attended at least two-thirds (2/3) of the meetings of the Board during any 12-month period.

c. A vacancy on the Board shall be filled in the same manner of selection as that used to select the director whose office is vacant, provided that vacancies to be filled by election by directors may be filled by a majority of the remaining directors, although less than a quorum, or by a sole remaining director. Each director so selected shall hold office until the expiration of the term of the replaced director and until a successor has been appointed and qualified.

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

Section 4.6 Place of Meetings.

Meetings of the Board may be held at the principal office of the corporation or at any other place within or without the State of California which has been designated in the notice of the meeting or, if there is no notice, by majority resolution of the Board.

Section 4.7 Annual Meetings.

The Board shall hold an annual meeting for the purposes of organization, selection of directors and officers, and the transaction of other business.

Section 4.8 Regular Meetings.

Regular meetings of the Board, including the annual meeting, shall be held without call or notice on such dates and at such time and places as may be from time to time fixed by the Board.

Section 4.9 Special Meetings.

a. Special meetings of the Board for any purpose(s) may be called at any time by the chairman of the Board, if there is such an officer, the President, the Secretary, the Treasurer, or any two directors.

b. Special meetings of the Board may be held only after each director has received four (4) days' notice by first-class mail or forty-eight (48) hour's notice given personally or by telephone, telegram, fax, email or other similar means of communication.

c. Any such notice shall be addressed or delivered to each director at the director's address as it is shown on the records of the corporation or as may have been given to the corporation by the director for purposes of notice or, if an address is not shown on the corporation's records or is not readily ascertainable, at the place at which the meetings of the directors are regularly held.

d. Notice by mail shall be deemed received at the time a properly addressed written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed received at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or is actually transmitted by the person giving the notice by electronic means to the recipient. Oral notice shall be deemed received at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient whom the person giving the notice has reason to believe will promptly communicate it to the receiver.

Section 4.10 Quorum and Voting.

A majority of the directors then in office, but not less than the greater of one fifth (1/5th) of the authorized number of directors or two (2) directors, unless the authorized number is one (1), shall constitute a quorum. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is an 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 such meeting. Directors may not vote by proxy.

Section 4.11 Participation In Meetings by Telephone Conference.

Directors may participate in a meeting through the use of telephone conference or similar communications equipment, provided all directors participating in such meeting can adequately hear one another. Participation in a meeting pursuant to this section constitutes personal presence at such meeting.

Section 4.12 Waiver of Notice.

Notice of a meeting need not be given to any director who signs a waiver of notice, a written consent to the holding of the meeting, an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting the lack of notice prior thereto or at its commencement. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 4.13 Adjournment.

A majority of the directors present, whether or not a quorum is present, may adjourn any directors' meeting to another time and place. If a meeting is adjourned for more than twenty-four (24) hours, notice of such adjournment to another time or place shall be given, prior to the time scheduled for the continuation of the meeting, to the directors who were not present at the time of the adjournment.

Section 4.14 Action Without Meeting.

Any action required or permitted to be taken by the Board may be taken without a meeting if all directors individually or collectively consent in writing to such action. Such

consent(s) shall have the same effect as a unanimous vote of the Board and shall be filed with the minutes of the proceedings of the Board.

Section 4.15 Rights of Inspection.

Every director has the absolute right to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation provided such inspection is conducted at a reasonable time after reasonable notice.

Section 4.16 Fees and Compensation.

Directors shall not receive any compensation for their services; however, the Board may approve the reimbursement of a director's actual and necessary expenses incurred in the conduct of the corporation's business. The corporation may carry liability insurance covering the directors in the conduct of the corporation's business.

Section 4.17 Restriction of Interested Directors.

Not more than forty-nine percent (49%) of the persons serving on the Board at any time may be interested persons. An interested person is (a) any person compensated by the corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a director as a director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any such person. However, any violation of the provisions of this Section shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 4.18 Standard of Care.

a. A director shall perform all duties of a director, including duties as a member of any committee of the Board on which the director may serve, in good faith, in a manner such director believes to be in the best interests of the corporation and with such care, including the duty to make reasonable inquiries, as an ordinarily prudent person in a like situation would use under similar circumstances.

b. In performing the duties of the director, a director may rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(1) One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented;

(2) Legal counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or

(3) A committee of the Board upon which the director does not serve as to matters within its designated authority, provided the director believes that the committee merits confidence and the director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

c. Except with respect to assets which are directly related to the corporation's charitable programs, the Board shall avoid speculation in investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the corporation's investments. Instead, the Board is to consider the permanent disposition of the funds, the probable income, and the probable safety of the corporation's capital, and is to comply with the express terms of the instrument or agreement, if any, pursuant to which the assets were contributed to the corporation.

ARTICLE 5

OFFICERS

Section 5.1 Officers.

The officers of the corporation (as of February, 2009) shall be a President, Vice-President, Secretary, Chief Financial Officer (Treasurer), Public Relations Director, Tournament Director, Player Representative, and Head Umpire. The corporation may also have, at the discretion of the Board, a chairman of the Board, additional Vice-Presidents, one or more assistant Secretaries, one or more assistant Treasurers, and such other officers as may be elected or appointed in accordance with the provisions of Section 5.3. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the President or chairman of the Board.

Section 5.2 Election.

The officers of the corporation, except such officers as may be elected or appointed in accordance with the provisions of Section 5.3 or Section 5.6, shall be chosen at the annual meeting by and shall serve at the pleasure of the Board, and shall hold their respective offices until their resignation, removal or other disqualification from service, or until their respective successors shall be elected.

Section 5.3 Subordinate Officers.

The Board may elect, and may empower the President to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 5.4 Removal.

Any officer may be removed, either with or without cause, by the Board at any time or, except for an officer chosen by the Board, by any officer upon whom the Board may confer such power of removal. A vote of a majority (3/4's) of Board Members in attendance is necessary for removal of herein stated board officer position. Any such removal shall be without prejudice to the rights, if any, of an officer under any contract of employment.

Section 5.5 Resignation.

Any officer may resign at any time by giving written notice to the Board; such resignation may not prejudice the rights, if any, of the corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.6 Vacancies.

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

Section 5.7 President.

The President is the General Manager and Chief Executive Officer of the corporation and has, subject to the control of the Board, general supervision, direction and control of the business and officers of the corporation. The President shall preside at all meetings of the Board. The President has the general management powers and duties usually vested in the office of Chairperson and General Manager of a corporation as well as such other powers and duties as may be prescribed from time to time by the Board. The President shall be an ex officio voting member of each Board committee.

Section 5.8 Vice-President(s).

In the absence or disability of the President, the (Vice-President) shall (or if more than one (1) Vice-President is appointed, in the order of their ranks as fixed by the Board or if not ranked, the Vice-President designated by the Board) perform all the duties of the President and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The vice President shall have such other powers and perform such other duties as the Board may prescribe from time to time.

Section 5.9 Secretary.

a. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of the Board and its committees, including the following information for all such meetings: the time and place of holding, whether regular or special; if special, how authorized; the notice thereof given; the names of

those present and absent, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California, the original or a copy of the corporation's Articles of Incorporation and Bylaws, as amended to date, and a register showing the names of all directors and their respective addresses. The Secretary shall keep the seal of the corporation and shall affix the same on such papers and instruments as may be required in the regular course of business, but failure to affix it shall not affect the validity of any instrument.

b. The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committees thereof required by these Bylaws or by law to be given; shall keep the seal of the corporation in safe custody; shall see that all reports, statements and other documents required by law are properly kept or filed, except to the extent the same are to be kept or filed by the Treasurer; and shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.

Section 5.10 Chief Financial Officer (Treasurer).

a. The Chief Financial Officer of the corporation shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts and disbursements. The books of account shall at all times be open to inspection by any director.

b. The Chief Financial Officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the corporation with such depositaries as may be designated from time to time by the Board. The Chief Financial Officer shall disburse the funds of the corporation as may be ordered by the Board, and shall render to the President and directors, upon request, an account of all transactions as Chief Financial Officer and of the financial condition of the corporation. The Chief Financial Officer shall present an operating statement and report, since the last preceding regular Board meeting, to the Board at all regular meetings. The Chief Financial Officer shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.

Section 5.11 Public Relations Director.

The Public Relations Director of the corporation shall create, manage and promote the league and its players to the surrounding community. The Public Relations Director will develop and implement the Board and the league's overall strategic public relations programs. Responsibilities shall include; management of the league website, media relations, press release services, graphic design, community relations, internal communications and investor relations. The Public Relations Director shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.

Section 5.12 Tournament Director.

The Tournament Director shall recruit, schedule and organize all tournaments put forth both at the direction of the Board and at the request of interested outside leagues and organizations looking to schedule the RAS fields. The Tournament Director will also act as the

main contact and facilitator for local youth and outside clubs who schedule the use of RAS fields for their various activities throughout the year. The Tournament Director shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.

Section 5.13 Player Representative.

The Player Representative is the main contact person for all rostered players in the Ramona Adult Softball league. The Player Representative will represent the league membership on the Board as well as act as the main conduit from the Board to the general league membership. Among the main responsibilities of the player rep will be as follows; layout of the master game schedule, keeping an updated master player roster, being the main point of contact for all players and managers, and be the Board member representative on the Grievance & Rules Committee. The Player Representative shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.

Section 5.14 Head Umpire.

The Head Umpire will be responsible for all scheduling for current umpires, League games and RAS Tournaments. The Head Umpire oversees the accuracy in which games are called in accordance with the RAS Rulebook and ASA Non-Tournament Play regulations. All conduct and disciplinary issues in regards to the RAS Umpires will be called to the Head Umpires attention, and dealt with accordingly. The Head Umpire is responsible for recruiting and training new and potential RAS umpires when needed. The Head Umpire shall have such other powers and perform such other duties as may be prescribed from time to time by the Board.

ARTICLE 6

COMMITTEES

Section 6.1 Board Committees.

The Board shall create the following standing committees with the duties and powers granted to such committees by the Board: (i) Rules, Regulations and Grievances Committee, (ii) Facilities Operations Committee, and (iii) Public Relations Committee. The Board may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, create one or more additional standing committees or ad hoc committees, each consisting of at least two (2) members of the Board, to serve at the pleasure of the Board. Appointments to such Board committees shall be by majority vote of the directors then in office, and the Chairperson of such Board committees shall be appointed by the President. Unless otherwise provided in these bylaws or by the bylaws of the State of California, each committee shall have all of the authority of the Board to the extent delegated by the Board, except that no committee, regardless of Board resolution, may:

a. Fill vacancies on the Board or any other committee which has the authority of the Board;

- b. Fix compensation of directors for serving on the Board or any committee;
- c. Amend or repeal Bylaws or adopt new Bylaws;
- d. Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- e. Appoint committees of the Board or the members thereof;
- f. Spend corporate funds to support a nominee or applicant for director after there are more people nominated for director than can be elected;
- g. Approve any self-dealing transaction, except as provided in Section 5233(d)(3) of the California Nonprofit Public Benefit Corporation Law; or
- h. Approve any action for which the California Nonprofit Public Benefit Corporation Law requires the approval of the Board.

Section 6.2 Meetings and Action of Board Committees.

The Board shall have the power to prescribe the manner in which proceedings of any such Board committee shall be conducted. In the absence of any such prescription, the committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, meetings and actions of Board committees shall be governed by, held and taken in accordance with, the provisions of Article 4 of these Bylaws which concern meetings of the Board, with such changes in those provisions as required by this Article 6 and as necessary to substitute the committee and its members for the Board and its members, except that the time of regular meetings of the committees may be determined either by resolution of the Board or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board. Notice of special meetings of Board committees shall be given to any and all alternate members who shall have the right to attend all meetings of the committee. The Board may adopt rules for the government of any Board committee not inconsistent with the provisions of these Bylaws.

Section 6.3 Other Committees.

a. The President, subject to the limitations imposed by the Board, or the Board may create other committees, either standing or special, to serve the Board which do not have the powers of the Board. The President, with the approval of the Board, shall appoint members to serve on such committees, and shall designate the committee Chairperson. If a director is on a committee, he or she shall be the Chairperson. Each member of a committee shall continue as such until the next annual election of officers and until his or her successor is appointed, unless the member sooner resigns or is removed from the committee.

b. Meetings of a committee may be called by the President, the Chairperson of the committee or a majority of the committee's voting members. Each committee shall meet as often as is necessary to perform its duties. Notice of a meeting of a committee may be given at any time and in any manner reasonably designed to inform the committee members of the time and place of the meeting. A majority of the voting members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. Each committee may keep minutes of its proceedings and shall report periodically to the Board. A committee may take action of majority vote.

c. Any member of a committee may resign at any time by giving written notice to the Chairperson of the committee or to the President. Such resignation, which may or may not be made contingent upon formal acceptance, shall take effect upon the date of receipt or at any later time specified in the notice. The President may, with prior approval of the Board, remove any appointed member of a committee. The President, with the Board's approval, shall appoint a member to fill a vacancy in any committee or any position created by an increase in the membership for the unexpired portion of the term.

ARTICLE 7

SELF-DEALING TRANSACTIONS

Section 7.1 Definition.

Self-dealing transaction means a transaction to which the corporation is a party and in which one or more of the directors ("interested director(s)") has a material financial interest. Notwithstanding this definition of self-dealing transaction, the following transactions are not self-dealing transactions, and are subject to the Board's general standard of care:

a. An action by the Board fixing the compensation of a director as a director or officer of the corporation.

b. A transaction which is part of a public or charitable program of the corporation if the transaction is (1) approved or authorized by the corporation in good faith and without unjustified favoritism, and (2) results in a benefit to one or more directors or their families because they are in a class of persons intended to be benefited by the program;

c. A transaction of which the interested directors have no actual knowledge, and which does not exceed the lesser of one percent (1%) of the corporation's gross receipts for the fiscal year immediately preceding the year in which such transaction occurs or One Hundred Thousand Dollars (\$100,000).

Section 7.2 Action of the Board.

If the transaction appears to be a self-dealing transaction, the interested director must demonstrate the following in order to sustain the validity of the transaction:

a. That, prior to consummating the transaction or any part thereof, the Board authorized or approved the transaction in good faith by vote of a majority of the directors then in office excluding the vote of the interested director(s) and with knowledge of the material facts concerning the transaction and the interested director's interest in it. Except as provided in Section 7.4, action by a committee of the Board will not satisfy this requirement;

b. That either:

(1) Prior to authorizing or approving the transaction, the Board considered and in good faith determined after reasonable investigation that the corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; or

(2) The corporation in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

c. That the corporation entered into the transaction for its own benefit; and

d. That the transaction was fair and reasonable as to the corporation at the time the corporation entered into the transaction.

Section 7.3 Interested Director's Vote.

In determining whether the Board validly met to authorize or approve a self-dealing transaction, interested directors may be counted to determine the presence of a quorum, but an interested director's vote may not be counted toward the required majority for such authorization, approval or ratification.

Section 7.4 Committee Approval.

A Board committee may approve a self-dealing transaction in a manner consistent with the standards prescribed for approval by the Board if: it was not reasonably practical to obtain approval of the Board prior to entering into the transaction; the Board determines in good faith that the committee met the same requirements the Board would have had to meet in approving the transaction; and the Board ratifies the transaction at its next meeting by a vote of a majority of the directors then in office, excluding the vote of the interested director(s).

Section 7.5 Prior Approval by the Attorney General.

The remedies provided by the California Nonprofit Public Benefit Corporation Law to redress an improper self-dealing transaction are not available if the Attorney General of the State of California approves such a transaction before or after its consummation. The corporation may seek the approval of the Attorney General by application setting forth all relevant and material facts.

Section 7.6 Persons Liable and Extent of Liability.

If a self-dealing transaction has not been approved as provided above, the interested directors(s) may be required to do such things and pay such damages as a court may provide as an equitable and fair remedy to the corporation, considering any benefit received by it and whether or not the interested director(s) acted in good faith and with the intent to further the best interests of the corporation.

Section 7.7 Statute of Limitations.

An action to remedy an improper self-dealing transaction, brought by a proper party under Section 5233 of the California Nonprofit Public Benefit Corporation Law, must be commenced either:

a. Within two (2) years after written notice setting forth the material facts of the transaction and the interested director's interest in it was filed with the Attorney General in accordance with the Attorney General's regulations; or

b. If no such notice is filed, within three (3) years after the transaction occurred, except that the Attorney General shall have ten (10) years after the transaction occurred within which to file an action.

Section 7.8 Corporate Loans and Advances.

The corporation shall not make any loan of money or property to or guarantee the obligation of any director or officer, unless approved by the Attorney General; provided however, that the corporation may advance money to a director or officer of the corporation or any subsidiary for expenses reasonably anticipated to be incurred in the performance of the duties of such officer or director, if, in the absence of such advance, such director or officer would be entitled to be reimbursed for such expenses by the corporation, its parent or any subsidiary.

Section 7.9 Annual Statement of Certain Transactions.

The annual statement required by Section 6322 of the California Nonprofit Public Benefit Corporation Law shall be furnished to the directors for any fiscal year in which a transaction or indemnification of the kind described in a. or b. below took place:

a. A transaction in which the corporation or a parent or subsidiary was a party and a director or officer of the corporation or a parent or subsidiary or a holder of more than 10 percent (10%) of the voting power of the corporation or a parent or a subsidiary had a direct or indirect material financial interest and which involved Fifty Thousand Dollars (\$50,000) or more or which was one of a number of such transaction which involved the same interested person and which amounted in the aggregate to Fifty Thousand Dollars (\$50,000) or more; or

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 or a parent or subsidiary.

Such statement shall be mailed or delivered to the directors within one hundred twenty (120) days after the close of the corporation's fiscal year.

ARTICLE 8

OTHER PROVISIONS

Section 8.1 Validity of Instruments.

Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance or other written instrument and any assignment or endorsement thereof executed or entered into between the corporation and any other person, shall be valid and binding on the corporation when signed by the President or any vice President and the Secretary or Treasurer of the corporation, unless the other person has actual knowledge that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person(s) and in such manner as from time to time shall be determined by the Board and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement, to pledge its credit, or to render it liable for any purpose or amount.

Section 8.2 Construction and Definitions.

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, words in these Bylaws shall be read as the masculine or feminine gender, and as the singular and plural, as the context requires, and the word "person" includes both the corporation and a natural person. The captions and headings in these Bylaws are for convenience of reference only and are not intended to limit or define the scope or effect of any provision.

Section 8.3 Authority to Vote Securities.

The President, or any other officer(s) authorized by the Board is authorized to vote, represent and exercise on behalf of the corporation all rights incident to any and all voting securities of any other corporation(s) standing in the name of this corporation. The authority granted therein may be exercised either in person or by any person authorized to do so by proxy or by power of attorney executed by the President or authorized officer.

Section 8.4 Fiscal Year.

The fiscal year of the corporation shall be set by the Board.

Section 8.5 Conflict of Interest.

Any director, officer, key employee, or committee member having an interest in a contract or other transaction presented to the Board or a committee thereof for authorization, approval, or ratification shall make a prompt, full and frank disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction. Such disclosure shall include all relevant and material facts known to such person about the contract or transaction which might reasonably be construed to be adverse to the corporation's interest. The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor participate (other than to present factual information or to respond to questions) in the discussion or deliberations with respect to, such contract or transaction. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation. The Board may adopt conflict of interest policies requiring;

- a. Regular annual statements from directors, officers, key employees and key members of the corporation's staff to disclose existing and potential conflict in interest; and
- b. Corrective and disciplinary actions with respect to transgressions of such policies.

For the purpose of this Section, a person shall be deemed to have an "interest" in a contract or other transaction if he or she is the party (or one of the parties) contracting or dealing with the corporation, or is a director, trustee or officer of, or has a significant financial or influential interest in the entity contracting or dealing with the corporation.

ARTICLE 9

INDEMNIFICATION OF AGENTS OF THE CORPORATION; PURCHASE OF LIABILITY INSURANCE

Section 9.1 Definitions.

For the purpose of this Article, "agent" means any person who is or was a director, officer, employee or other 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, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of this corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Section 9.2 c. or Section 9.2 d.(2) of this Article.

Section 9.2 Indemnification of Agents.

- a. This corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of this corporation to procure a judgment in its favor, an action brought under Section 5233 of the

California Nonprofit Public Benefit Corporation Law, or an action brought by the Attorney General of California or a person granted relator status by the Attorney General of California for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of this corporation, against expenses, judgment, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such persons acted in good faith and in a manner such person reasonably believed to be in the best interests of this corporation and, in the case of a criminal proceeding, such person had no reasonable cause to believe his or her conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this corporation, nor that the person had reasonable cause to believe that the person's conduct was unlawful.

b. This corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this corporation, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, or brought by the Attorney General of California or a person granted relator status by the Attorney General of California for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of this corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 9.2 b.:

(1) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to this corporation in the performance of such person's duty to this corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(2) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(3) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General of California.

c. To the extent that an agent of this corporation has been successful on the merits in defense of any proceeding referred to in subsection a. or b. of this Section 9.2 or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

d. Except as provided in subsection c. of this Section 9.2, any indemnification under this Section 9.2 shall be made by this corporation only if authorized in the specific case, upon a

determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in subsection a. or b. of this Section 9.2, by:

(1) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or

(2) The court in which such proceeding is or was pending, upon application made by this corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by this corporation.

e. Expenses incurred in defending any proceeding may be advanced by this corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized by this Section 9.2.

f. No provision made by this corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the Articles of Incorporation, these Bylaws, a resolution of the directors, an agreement or otherwise, shall be valid unless consistent with this Section 9.2. Nothing contained in this Section 9.2 shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

g. No indemnification or advance shall be made under this Section 9.2, except as provided in Section 9.2 c. or Section 9.2 d.(2) hereof, in any circumstances where it appears;

(1) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws or an agreement in effect at the time of accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9.3 Purchase of Liability Insurance.

Upon and in the event of a determination by the Board to purchase such insurance, this corporation may purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not this corporation would have the power to indemnify the agent against such liability under the provisions of this Article, provided, however, that this corporation shall have no power to purchase and maintain such insurance to indemnify any agent of this corporation for violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

Section 9.4 Nonapplicability to Fiduciaries of Employee Benefit Plans.

This Article 9 does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent, as defined in Section 9.1, of the employer corporation. The corporation shall only have the power to indemnify such trustee, investment manager or other fiduciary to the extent permitted under Section 207(f) of the California General Corporation Law.

ARTICLE 10

AMENDMENTS

Section 10.1 Bylaws.

These Bylaws will be reviewed at least one every four (4) years and shall be documented as to the date of such review (Bylaws reviewed last in February, 2009). New Bylaws may be adopted or these Bylaws may be amended or repealed by a vote of two-thirds (2/3) of the Board.