

**BYLAWS**  
**OF**  
**LAMORINDA WINE GROWERS ASSOCIATION**

A California Nonprofit Mutual Benefit Corporation

**ARTICLE I, GENERAL**

**SECTION 1. PRINCIPAL EXECUTIVE OFFICE**

The location of the principal executive office of the corporation shall be fixed by the Board of Directors within the County of Contra Costa. The secretary of this corporation shall keep the original or a copy of these Bylaws, as amended to date.

The officers of this corporation shall cause the corporation to file an annual statement with the Secretary of State, as required, specifying the street address of the corporation's principal executive office.

**SECTION 2. OTHER OFFICES**

The corporation may also have offices at such other places as the Board of Directors may from time to time designate, or as the business of the corporation may require.

**SECTION 3. FISCAL YEAR**

The corporation's fiscal year will start on July 1<sup>st</sup> and end on June 30<sup>th</sup>.

**SECTION 4. PARLIAMENTARY AUTHORITY**

The rules contained in Robert's Rules of Order, Revised, shall govern the organization in all cases to which they are applicable and in which they are not inconsistent with the Bylaws of the organization.

**ARTICLE II, PURPOSES AND LIMITATIONS**

**SECTION 1. GENERAL PURPOSE**

This corporation is a nonprofit mutual benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Mutual Benefit Corporation Law pursuant to IRS Code §501(c)(6). The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

**SECTION 2. SPECIFIC PURPOSE**

Within the context of the general purpose stated above, the specific purposes of this corporation are to provide on-going education and support for its members in

the areas of vineyard maintenance, vineyard management and winemaking; foster communication and the exchange of information among its members; encourage sustainable practices that result in the production of high quality grapes and wine in an environmentally-friendly and socially responsible fashion; promote the Lamorinda community and proposed Lamorinda American Viticultural Area (LAVA) as a winegrowing region by enhancing the quality and marketability of Lamorinda-grown grapes and Lamorinda-made wine; and cultivate a strong relationship with the Lamorinda community.

### SECTION 3. LIMITATIONS

(a) Political Activity. No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Internal Revenue Code of 1986, and this corporation shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of or in opposition to any candidate for public office. It is not the intent of this section to limit the ability of the Board to render advice regarding State or local statutes or ordinances that affect the purposes of this Association. No such positions shall be taken on city ordinances without the concurrence of those Board members representing that city.

(b) Property. The property, assets and net income of this Corporation are irrevocably dedicated to the purposes set forth above and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer, member or employee, thereof, or to the benefit of any private individual.

(c) Dissolution. Upon the dissolution or winding up of the corporation, its assets remaining after payment of, or provision for payment of all debts and liabilities of this corporation shall be distributed to a nonprofit organization, fund, foundation or corporation, which is organized and has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law); for example the University of California Department of Viticulture and Enology, Davis, California, Taxpayer I.D. 94-6036494.

## ARTICLE III, MEMBERS

### SECTION 1. CLASSES AND QUALIFICATIONS OF MEMBERSHIP

There shall be four (4) classes of membership of the corporation, as follows:

- Active Individual,
- Active Family,
- Associate (non-voting), and
- Affiliate (non-voting).

Active membership is available only to those persons, firms, corporations or associations engaged in growing wine grapes, within the towns of Lafayette, Moraga or Orinda, California, or adjacent unincorporated areas, henceforth known as the Community of Lamorinda. Each recognized person, family, business or related enterprise shall be entitled to one Active membership.

Associate membership is available to all persons, firms, corporations or associations either residing in or doing business in the Lamorinda area, or elsewhere, who are not growing wine grapes, but who are otherwise active or supportive of the growing of wine grapes, the making of wine, or the marketing or sales of locally produced grapes or wine.

Affiliate membership is available to those persons, firms, corporations or associations who are not otherwise eligible to be members of the corporation, but who, in the opinion of a majority of the members of the Board of Directors, warrant appointment as Affiliate members.

Any persons, firm, corporation or association that meets the criteria set forth above will be granted membership upon request unless a majority of the Board of Directors votes to decline that request for membership.

#### SECTION 2. VOTING MEMBERS

Only Active members shall have the right to vote, as set forth in these Bylaws, on the election of directors, on the disposition of all or substantially all of the corporation's assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, those members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law and pursuant to IRS Code §501(c)(6).

#### SECTION 3. OTHER PERSONS ASSOCIATED WITH THE CORPORATION

The corporation may refer to persons of the Associate or Affiliate membership class or other persons or entities associated with it as "Members", even though those persons or entities are not voting members as set forth in these Bylaws, but no such reference shall constitute anyone a member within the meaning of Section 5056 of the California Corporations Code unless that person or entity shall have qualified for a voting membership.

#### SECTION 4. DUES, FEES AND ASSESSMENTS

Each member must pay as provided herein, within the time and on the conditions set by the Board of Directors, the dues, fees and assessments in amounts to be fixed by a majority vote of the Board of Directors.

#### SECTION 5. GOOD STANDING

Those members who have paid the required dues, fees and assessments in accordance with these Bylaws and who are not suspended shall be "Members in Good Standing".

#### SECTION 6. CAUSES OF TERMINATION OF MEMBERSHIP

A membership shall terminate on occurrence of any of the following events:

- (a) Resignation of the member, on reasonable notice to the corporation;
- (b) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board of Directors;
- (c) Failure of the member to pay dues, fees or assessments as set by the Board of Directors within six (6) months after they become due and payable;
- (d) Occurrence of any event that renders the member ineligible for membership or failure to satisfy membership qualifications; or
- (e) Expulsion of the member based on the good faith determination by the Board of Directors, that the member has failed in a material and serious degree to observe the rules of the corporation, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation.

#### SECTION 7. TRANSFER OF MEMBERSHIPS

No membership, or any right arising from membership, may be transferred to a prospective member under any circumstances. All rights of membership cease on the member's death or dissolution.

### ARTICLE IV, MEMBERSHIP MEETINGS

#### SECTION 1. PLACE OF MEETINGS

All meetings of the members shall be held at the principal executive office of the corporation or at such other place as may be determined by the Board of Directors.

#### SECTION 2. PLACE AND FREQUENCY OF MEMBERSHIP MEETINGS

General meetings of the entire membership shall be held quarterly. It shall be the responsibility of the president to make the necessary arrangements for the date and place of the meeting and set the time.

Meetings shall be held quarterly on the last Sunday of the first month of each quarter. As such quarterly general meetings of the entire membership shall be held on the last Sunday in January, April, July and October, or as otherwise scheduled by the Board.

### SECTION 3. ANNUAL MEETINGS

The annual meeting of the membership shall be held each year on the last Sunday of January at which time members shall elect a Board of Directors and transact any other proper business.

### SECTION 4. SPECIAL MEETINGS

Special meetings of the membership may be called by the Board of Directors, the president, or by members representing at least fifty (50) percent of the voting power of the corporation. No business, other than the business the nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

### SECTION 5. NOTICES OF MEETINGS

Notices of meetings, annual or special, shall be given in writing to members entitled to vote at the meeting by the secretary or an assistant secretary or, if there be no such officer, or in the case of his or her neglect or refusal, by any director or member.

Such notices shall be given either personally or by first-class mail or other means of written communication, including electronic, addressed to the membership at the address of such member given by the member to the corporation for the purpose of notice. Notice shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting.

Such notice shall state the place, date and hour of the meeting and (1) in the case of a special meeting, the general nature of the business to be transacted, and that no other business may be transacted, or (2) in the case of an annual meeting, those matters which the board at the time of the mailing of the notice, intends to present for action by the membership, but, any proper matter may be presented at the annual meeting for such action. The notice of any meeting at which directors are to be elected shall include the names of the nominees which, at the time of the notice, the Board of Directors intends to present for election. Notice of any adjourned meeting need not be given unless a meeting is adjourned for forty-five (45) days or more from the date set for the original meeting.

### SECTION 6. ACTION WITHOUT MEETING

Any action that may be taken at any annual or special meeting of members may be taken without a meeting and without prior notice if a consent, in writing, setting forth the action so taken, shall be signed by members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voted.

Unless the consents of all members entitled to vote have been solicited in writing, notice of any membership approval, with respect to any one of the following proposals, without a meeting, by less than unanimous written consent shall be

given at least ten (10) days before the consummation of the action authorized by such approval:

- (a) Approval of a contract or other transaction between the corporation and one or more of its directors or another corporation, firm or association in which one or more of its directors has material financial interest;
- (b) To indemnify an agent of the corporation;
- (c) To approve the principal terms of a reorganization; or
- (d) Approval of a plan of distribution as part of the winding up of the corporation.

Prompt notice shall be given of the taking of any other corporate action approved by members without a meeting by less than a unanimous written consent to those members entitled to vote who have not consented in writing.

#### SECTION 7. QUORUM AND MEMBER ACTION

A majority of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members. If a quorum is present, the affirmative vote of the majority of members represented at the meeting and entitled to vote on any matter shall be the act of the membership, unless the vote of a greater number is required by law and except as provided in the following paragraph of this section. However, if any regular or annual meeting is actually attended in person or by proxy by less than one half of the voting power, the only matters that may be voted on are those of which notice of their general nature was given with notice of the meeting.

The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum, if any action is approved by at least a majority of the votes required to constitute a quorum. In the absence of a quorum, any meeting of the membership may be adjourned from time to time by the vote of a majority represented either in person or by proxy, but no other business may be transacted except as provided in the foregoing provision of this section.

#### SECTION 8. VOTING

Only members of record shall be entitled to vote at a meeting. Each Individual member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members. Each Family member entitled to vote shall be entitled to cast no more than two (2) votes on each matter submitted to a vote of the members, provided that: 1) At least two individual persons are present to represent the Family member and vote in person at the meeting, or have separate login access to the website voting system, or 2) If any Active member entitled to vote is not able to personally cast their vote, proper authorization of an agent has been given by written proxy to cast that vote on behalf of the member. Any member entitled to vote may refrain from voting. The candidates receiving the

highest number of votes, up to the number of directors to be elected, shall be elected. Votes cast against a candidate or which are withheld shall have no effect. Upon the demand of any member made before the voting begins, the election of directors shall be by ballot rather than by voice vote. Voting may be by voice or ballot, or by electronic medium on the association's web site, or as otherwise determined by the Board of Directors and conveyed to the membership at least thirty (30) days prior to any election.

#### SECTION 9. PROXIES

Every person entitled to vote may authorize another person or persons to act by proxy with respect to such votes by filing a written proxy with the secretary of the corporation, executed by such person or his or her duly authorized agent. A proxy shall be deemed signed if the member's name is placed on the proxy (whether by manual signature, electronic mail, or otherwise) by the member or the member's attorney-in-fact. A proxy shall not be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall continue in full force and effect until revoked by the person executing it prior to the vote pursuant thereto, except as otherwise provided in Corporations Code.

### ARTICLE V, DIRECTORS

#### SECTION 1. POWERS

Subject to any limitations in the Articles of Incorporation and to the provisions of the Corporations Code, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by, or under the direction of, the Board of Directors.

#### SECTION 2. NUMBER

The authorized number of directors shall be ten (10). This bylaw may only be amended by approval of a majority of the membership entitled to vote; provided, moreover, that a bylaw reducing the fixed number of directors to a number less than five (5) cannot be adopted unless by two-thirds affirmative vote of the membership. (Note from Carol: In doing additional research on nonprofit boards, the suggested number of board members is a range from 9-14. By using a range, would this make any changes to our Bylaws in the number of board members more efficient and less limiting?)

#### SECTION 3. ELECTION AND TENURE OF OFFICE

The directors shall be elected at the annual meeting of the membership and hold office for two (2) year terms and until their successors have been elected. As many as five (5) directors shall be elected to staggered terms at each annual meeting of the members. Terms shall begin at the conclusion of the annual meeting.

#### SECTION 4. VACANCIES

A vacancy on the Board of Directors shall exist in the case of death, resignation, or removal of any director or in case the authorized number of directors is increased, or in case the membership fails to elect the full authorized number of directors at any annual or special meeting of the membership at which any director is elected. The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by an order of court or who has been convicted of a felony.

Except for a vacancy created by the removal of a director, vacancies on the Board of Directors may be filled by approval of the Board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with this Article of these Bylaws, or (3) a sole remaining director. Vacancies occurring on the Board by reason of the removal of directors may be filled only by approval of the membership. Each director so elected shall hold office until the next annual meeting of the membership and until his or her successor has been elected.

The membership may elect a director at any time to fill a vacancy not filled by the directors. Any such election by written consent other than to fill a vacancy created by the removal of a director requires the consent of a majority of the members entitled to vote.

Any director may resign effective upon giving written notice to the president, the secretary or to the Board of Directors unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a later time, a successor may be elected to take office when the resignation becomes effective. Any reduction of the authorized number of directors does not remove any director prior to the expiration of such director's term in office.

#### SECTION 5. NOMINATIONS.

The Board shall identify, contact and recommend qualified Board candidates and the president, in written announcements, solicit candidates from the Membership for election to the Board at least sixty (60) days before the date of any election of directors. Qualified candidates will then prepare candidacy statements for posting on the LWGA Web site by the CIO director, no later than 45 days prior to the Board election. The secretary shall forward to each member, with the notice of meeting required by these Bylaws, a list of all candidates nominated for the Board under this Section.

Voting timeframes for Board elections will be determined by the Board and announced by the president. Voting will be in the form of Web site (electronic), postal, by ballot at the annual general meeting and proxy voting. All names for nomination must be submitted prior to the annual general meeting.



The Board of Directors shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

#### SECTION 6. REMOVAL

Any or all of the directors may be removed without cause if such removal is approved by a majority of the membership entitled to vote, subject to the provisions of the Corporations Code. Except as provided in the Corporations Code, a director may not be removed prior to the expiration of such director's term of office.

#### SECTION 7. PLACE OF MEETINGS

Meetings of the Board of Directors shall be held at any place which has been designated in the notice of the meeting or, if not stated in the notice or if there is no notice, at the principal executive office of the corporation or as may be designated from time to time by resolution of the Board of Directors. Meetings of the Board may be held through use of conference telephone or similar communications equipment, as long as all directors participating in the meeting can hear one another.

#### SECTION 8. ANNUAL, REGULAR AND SPECIAL DIRECTORS' MEETINGS

Regular meetings of the Board of Directors shall be held at such times and places as may be fixed from time to time by the Board of Directors. Call and notice of these regular meetings shall not be required.

Special meetings of the Board of Directors may be called by the president, vice president, secretary, or any two directors. Special meetings of the Board of Directors shall be held upon four (4) days' notice by mail, or forty-eight (48) hours' notice delivered personally, electronically (E-mail) or by telephone. A notice or waiver of notice need not specify the purpose of any special meeting of the Board of Directors. If any meeting is adjourned for more than 24 hours, notice of the adjournment to another time or place shall be given before the time of the resumed meeting to all directors who were not present at the time of adjournment of the original meeting.

If any Director is absent from a "regular planned board meeting, and/or a required Board meeting" without an approved excuse, which may be granted by the Board, for two (2) consecutive meetings or (3) absents in any fiscal year, his or her term shall automatically expire. A notification of expiration shall be mailed to the person, and a new Director shall be appointed by the Board to fill out the remainder of that term. An approved excused absence is defined as an absence in which the Director in question informs the President by phone or in writing of the absence within 24 hours prior to Board meeting, unless it is an emergency and then

the 24-hour notice is waived. An unexcused absence is defined as one in which the Director in question does not notify the President of his or her intention not to attend the Board meeting.

#### SECTION 9. QUORUM AND BOARD ACTION

A quorum for all meetings of the Board of Directors shall consist of fifty (50) percent of the authorized number of directors until changed by amendment to this article of these Bylaws.

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 the act of the Board, subject to the provisions of the Corporations Code. 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.

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

#### SECTION 10. WAIVER OF NOTICE

The transactions of any meeting of the Board, however called and noticed or wherever held, are as valid as though undertaken at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Waivers of notice or consents need not specify the purpose of the meeting.

#### SECTION 11. 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 shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of the directors.

#### SECTION 12. COMPENSATION

No salary shall be paid directors, as such, for their services. Nothing contained herein shall prevent a director from serving the corporation in any other capacity and receiving compensation therefore. Directors may receive such reimbursement of expenses, as the Board may determine to be just and reasonable.

### ARTICLE VI, OFFICERS

#### SECTION 1. OFFICERS

The officers of the corporation shall be a president, a vice president, a secretary

and a treasurer who shall be the chief financial officer of the corporation. The corporation also may have such other officers with such titles and duties as shall be determined by the Board of Directors by written ballot, after the annual General Meeting. Any number of offices may be held by the same person.

#### SECTION 2. ELECTION

All officers of the corporation shall be chosen by, and serve at the pleasure of, the Board of Directors.

#### SECTION 3. REMOVAL AND RESIGNATION

An officer may be removed at any time, either with or without cause, by the Board. An officer may resign at any time upon written notice to the corporation given to the Board, the president or the secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any other time specified therein.

#### SECTION 4. PRESIDENT

The president shall be the chief executive officer and general manager of the corporation and shall, subject to the direction and control of the Board of Directors, have general supervision, direction and control of the business and affairs of the corporation. He or she shall preside at all meetings of the membership and directors and be an ex-officio member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation and shall have such other powers and duties as may from time to time be prescribed by the Board of Directors or these Bylaws. The term of office for president shall be one (1) year serving a maximum of two (2) consecutive terms.

#### SECTION 5. VICE PRESIDENT

In the absence or disability of the president, the vice president designated by the Board, shall 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 may from time to time be prescribed by the Board of Directors or these Bylaws. The term of office for vice president is unlimited.

#### SECTION 6. SECRETARY

The secretary shall keep, or cause to be kept, at the principal executive office of the corporation, a book of minutes of all meetings of directors and members. The minutes shall state the time and place of holding of all meetings; whether regular or special, and if special, how called or authorized; the notice thereof given or the waivers of notice received; the names of those present at directors' meetings; the number of members present or represented at membership meetings; and an account of the proceedings thereof. The term of office for secretary is unlimited.

The secretary shall keep, or cause to be kept, at the principal executive office of the corporation, a register, showing the names of the members and their addresses, telephone numbers and e-mail address.

The secretary shall keep, or cause to be kept, at the principal executive office of the corporation, the original or a copy of the Bylaws of the corporation, as amended or otherwise altered to date, certified by him or her.

The secretary shall give, or cause to be given, notice of all meetings of the membership and directors required to be given by law or by the provisions of these Bylaws.

The secretary shall have charge of the seal of the corporation and have such other powers and perform such other duties as may from time to time be prescribed by the Board or these Bylaws.

In the absence or disability of the secretary, the assistant secretary designated by the Board of Directors, shall have all the powers of, and be subject to all the restrictions upon, the secretary. The assistant secretary, if any, shall have such other powers and perform such other duties as may from time to time be prescribed by the Board of Directors or these Bylaws.

#### SECTION 7. TREASURER

The treasurer shall be the chief financial officer of the corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation.

The treasurer shall deposit monies and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the corporation in payment of the just demands against the corporation as authorized by the Board of Directors; shall render to the president and the directors, whenever they request it, an account of all his or her transactions as treasurer and of the financial condition of the corporation; and shall have such other powers and perform such other duties as may from time to time be prescribed by the Board of Directors or the Bylaws.

In the absence of disability of the treasurer, the assistant treasurer as designated by the Board of Directors, shall perform all the duties of the treasurer and, when so acting, shall have all the powers of and be subject to all the restrictions upon the treasurer. The assistant treasurer, if any, shall have such other powers and perform such other duties as may from time to time be prescribed by the Board of Directors or these Bylaws. The term of office for treasurer is unlimited.

#### SECTION 8. PAST PRESIDENT

The most recent outgoing president shall hold the title of Past President Emeritus, and will continue to hold such position until such time as another outgoing president retires from office as a result of an election process held at the end of that president's current term of office that results in the election of a new president. He or she shall serve as a member of the Board of Directors in a non-

voting advisory capacity to the Board and will be replaced in this role by the next Past President Emeritus. The Past President non-voting advisory capacity will not apply, if the Past President is an elected Director of the Board. He or she will retain full voting rights as outlined in the Bylaws.

## ARTICLE VII, COMMITTEES

The Board may, by resolution adopted by a majority of the authorized number of directors, designate one or more committees, each consisting of two or more directors/members, to serve at the pleasure of the Board. Any such committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except with respect to:

- (a) The approval of any action for which the approval of the membership is also required.
- (b) The filling of vacancies on the Board or in any committee.
- (c) The amendment or repeal of bylaws or the adoption of new bylaws.
- (d) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable.
- (e) The appointment of other committees of the Board or members thereof.

## ARTICLE VIII, CORPORATE RECORDS AND REPORTS

### SECTION 1. INSPECTION BY MEMBERS

The membership register shall be open to inspection and copying by any member at any time during usual business hours upon written demand on the corporation, for a purpose reasonably related to such member's non-commercial interest as a member. Such inspection and copying under this section may be made in person or by agent or attorney.

The accounting books and records of the corporation and the minutes of proceedings of the membership and the Board and committees of the Board shall be open to inspection upon the written demand of the corporation by any member at any reasonable time during usual business hours, for any proper purpose reasonably related to such holder's non-commercial interest as a member. Such inspection by a member may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.

Members shall also have the right to inspect the original or copy of these Bylaws, as amended to date and kept at the corporation's principal executive office, at all reasonable times during business hours.

### SECTION 2. INSPECTION BY DIRECTORS

Every director shall have the absolute right at any reasonable time to inspect and

copy all books, records, and documents of every kind and to inspect the physical properties of the corporation. Such inspection by a director may be made in person or by agent or attorney. The right of inspection includes the right to copy and make extracts.

#### SECTION 3. RIGHT TO INSPECT WRITTEN RECORDS

If any record subject to inspection pursuant to this chapter is not maintained in written form, a request for inspection is not complied with unless and until the corporation at its expense makes such record available in written form.

#### SECTION 4. WAIVER OF ANNUAL REPORT

The annual report to members, described in Corporations Code, is hereby expressly waived. This waiver shall be subject to any provision of law, including the Corporations Code, allowing members to request the corporation to furnish financial statements.

#### SECTION 5. CONTRACTS, ETC.

The Board of Directors, except as otherwise provided by the Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the corporation. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the corporation by any contract, or to pledge its credit, or to render it liable for any purpose or to any amount.

### ARTICLE IX, INDEMNIFICATION AND INSURANCE OF CORPORATE AGENTS

#### SECTION 1. INDEMNIFICATION

The directors and officers of the corporation shall be indemnified by the corporation to the fullest extent not prohibited by Section 5238(a) of the California Corporations Code.

#### SECTION 2. INSURANCE

The corporation shall have the power to purchase and maintain insurance on behalf of any agent (as defined in the Corporations Code) 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 the corporation would have the power to indemnify the agent against such liability under the provisions of the Corporations Code.

### ARTICLE X, AMENDMENT OF BYLAWS

#### SECTION 1. MEMBERS

Bylaws may be adopted, amended or repealed by the affirmative vote or by the written consent of a majority of those entitled to vote. However, a bylaw

amendment which reduces the fixed number of directors to a number less than five (5) shall not be effective if the votes cast against the amendment are equal to more than one-third of those entitled to vote.

#### SECTION 2. DIRECTORS

Subject to the rights of members under these Bylaws and the limitations set forth above, the Board may adopt, amend or repeal bylaws, unless the action would materially and adversely affect the members' rights as to voting. The Board may not extend the term of a director beyond that for which the director was elected.

#### CERTIFICATE OF SECRETARY

This is to certify that the foregoing is a true and correct copy of the Bylaws of the corporation named in the title thereto and that such Bylaws were duly adopted by the Board of Directors of the corporation on the date set forth below.

Date: [DATE]

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Secretary