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PROMOTE LA  
JOLLA, INC.

BYLAWS

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# BYLAWS OF PROMOTE LA JOLLA, INC.

A California Mutual Benefit Corporation

(Ratified October 19, 1994)

The Bylaws of this corporation, Promote La Jolla, Inc., were restated in their entirety, as of February 1991, and were amended at the regular noticed Board of Directors meeting of May 13, 1992, August 11, 1993, October 13, 1993 and September 14, 1994 as follows:

## ARTICLE I

### NAME

The name of this corporation shall be:

PROMOTE LA JOLLA, INC.

## ARTICLE II

### OFFICES

#### SECTION 1. PRINCIPAL OFFICE

The principal office for the transaction of business of the Corporation ("principal executive office") shall be located in the State of California, County of San Diego.

The Board of Directors may change the principal office from one location to another. Any change of this location shall be noted by the Secretary on these Bylaws on the last page, or this section may be amended to state the new location.

#### SECTION 2. OTHER OFFICES

The Board of Directors may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to do business.

### ARTICLE III

#### NONPARTISAN/ NONSECTARIAN/ NONDISCRIMINATORY ACTIVITIES

This corporation has been formed under the California Mutual Benefit Corporation Law for the purposes described herein below, at Article XV, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the Corporation shall not participate in any political campaign on behalf of any candidate for public office or for or against any cause or measure being submitted to the people for a vote.

The Corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above and below in ARTICLE XV OBJECTIVES AND PURPOSES.

The Corporation shall be nondiscriminatory against any person by reason of race, creed, color, sex, or national origin. The Corporation shall at all times comply with Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act, and other applicable federal and state laws and regulations hereinafter enacted. The Corporation shall also comply with the requirements addressed by the City of San Diego's Equal Opportunity Program, recorded with the San Diego City Clerk as Document RR 262633.

### ARTICLE IV

#### DEDICATION OF ASSETS

The properties and assets of this nonprofit corporation are irrevocably dedicated to the fulfillment of the Objectives and Purposes of the Corporation set forth in Article XV hereof. No part of the net earnings, properties, or assets of this corporation, on dissolution or otherwise, shall inure to the exclusive benefit of any private person or individual, or any member or Director of this corporation except in fulfillment of said Objectives and Purposes. On liquidation or dissolution, all properties and assets and obligations shall be distributed pursuant to the nonprofit provisions of the California Corporations Code when in effect.

## ARTICLE V

### MEMBERSHIP

#### SECTION 1. QUALIFICATIONS

There shall be two classes of membership in this corporation: regular membership and associate membership.

(a) Regular Membership.

(i) Regular Membership, City assessed. Any person (including individuals eighteen years of age or older, corporations, partnerships, and other associations) of good character and in good standing under the laws of the State of California, located within the La Jolla and paying the business license taxes imposed by the City of San Diego (unless exempt therefrom), and paying the assessments and charges imposed pursuant to the laws establishing said business improvement District, shall be eligible for regular membership which shall be automatic for any eligible person.

(ii) Regular Membership, not assessed by City. Any person, (including individuals eighteen years of age or older, corporations, partnerships, and other associations) not assessed by the City of San Diego may qualify for regular membership if they pay an equivalent amount of money or services to Promote La Jolla Inc. as if they would be assessed by the City, but not less than the lowest business district assessment level, and under rules established by the Board of Directors, which are to be reviewed annually at the August meeting. A list of regular members, who are not assessed by the City of San Diego, will be included by the Secretary with those eligible to vote as provided in Article X section 6 (d) (ii).)

(b) Associate Membership.

i. Associate Membership. Any person (including individuals eighteen years of age or older, corporations, partnerships, and other associations) of good character and/or in good standing under the laws of the State of California, not otherwise eligible for regular membership herein may become an associate member of the Corporation upon acceptance by a majority of the Board of Directors of said person's application for associate membership and payment of such reasonable dues and initiation fees as may from time to time be fixed by the Board of Directors. Associate Members may not vote or serve as members of the Board of Directors.

(c) Exercise Of Membership Privileges.

i. Exercise Of Membership Privileges. All membership privileges shall be exercised by the individual named on the City of San Diego Business Licenses or as designated in writing to the Secretary of this corporation or the City of San Diego. If a dispute regarding the individual who may validly exercise membership privileges arises such dispute will be resolved by the Board of Directors in favor of this corporation's records at the time the privilege of membership was to be exercised. If a membership stands of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and wife as community property, tenants by the entirety, persons entitled to vote under a voting agreement or otherwise, or if two or more persons have the same fiduciary respecting the same membership, unless the Secretary of the Corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect:

- (a) Only one vote per membership and such act binds all; and
- (b) If more than one attempts to vote, the act of the majority so voting binds all; and
- (c) Members shall designate in writing the individual authorized to exercise membership privileges if such privileges are vested in an officer other than the owner or president.

The Secretary may establish such forms and procedures as are necessary to identify the person designated to exercise membership privileges.

## SECTION 2. FEES, DUES, AND ASSESSMENTS

Each Regular Member in good standing must pay, within the time and on the conditions set by the City of San Diego and/or by this corporation's Board of Directors, the business license taxes and charges imposed by the City of San Diego, and the dues, charges and assessments from time to time made in accordance with the Parking and Business Improvement Area Law of 1989 (Stats. 1989, c. 591, Section 2; California Streets and Highways Code Section 36500 et seq.) or an equivalent amount of money or services as established by the Board of Directors.

Each Associate Member in good standing must pay, within the time and on the conditions set by the Board of Directors, the initiation fees and/or annual dues in amounts which may be fixed from time to time by the Board of Directors.

### SECTION 3. TERMINATION OF MEMBERSHIP

Causes of Termination. The membership of any Regular or Associate Member shall terminate upon occurrence of any of the following events:

(a) The resignation of the member, notwithstanding that resignation of a Regular Member does not excuse any obligation to pay business taxes and/or other fees and charges assessed against such person or entity by virtue of their doing business within the City of San Diego and within the La Jolla Business Improvement District.

(b) The death of an individual member, the dissolution of a corporation or partnership member, or (as to regular membership only) the relocation of the Regular Member's business operation outside the La Jolla Business Improvement District.

(c) The failure of a Regular Member to pay the assessments, charges or dues for the La Jolla Business Improvement District or the equivalent amount established by the Board of Directors, or the failure of an Associate Member to pay the initiation fee and/or annual dues in the amount and within the time set forth by either the City of San Diego or the Board of Directors.

(d) The determination by the Board of Directors or a committee designated to make such determination that the member has failed in a material and serious degree to observe the rules of conduct governing this corporation as promulgated by the Board from time to time.

Procedure for Expulsion. Following the determination that a member should be expelled under subparagraph (d) above, the following procedure shall be implemented:

(i) A notice shall be sent by mail by prepaid, first-class, or registered mail to the most recent address of the member as shown on the Corporation's records, setting forth the expulsion and the reasons therefor. Such notice shall be sent at least fifteen (15) days before the proposed effective date of the expulsion.

(ii) The member being expelled shall be given an opportunity to be heard, either orally or in writing, at a hearing to be held not fewer than 5 days before the effective date of the proposed expulsion. The hearing will be held by a special member expulsion committee composed of not fewer than three Directors appointed by the president, and shall be conducted in accordance with procedures for disciplinary action as set forth in Robert's Rules of Order and/or the American Society of Association

Executives.

(iii) Following the hearing, the expulsion committee shall decide whether or not the member should in fact be expelled, suspended, or sanctioned in some other way. The decision of the committee shall be final.

(iv) Any Associate Member expelled from the Corporation shall receive no refund of dues or assessments already paid.

#### SECTION 4. TRANSFER OF MEMBERSHIP

Regular Members, who have paid both their business license fees and La Jolla Business Improvement District assessments, may transfer their membership to another person under the rules established by the City of San Diego for transfer of business licenses. Regular Members, who have paid an equivalent amount of fees, may transfer their membership under rules established by the Board of Directors.

Associate Members may transfer their memberships to another person meeting the qualifications of original members in the Corporation only on the approval of the Board of Directors.

### ARTICLE VI

#### MEETINGS OF MEMBERS

##### SECTION 1. PLACE OF MEETING

Meetings of the membership shall be held at any place within or outside the State of California designated by the Board of Directors. In absence of any such designation, members' meetings shall be held at the principal executive office of the Corporation.

##### SECTION 2. ANNUAL MEETING

The annual meeting of members shall be held (unless the Board of Directors fixes another date and so notifies the members as provided in Section 4 of this Article VI) on the second Wednesday of October. General and Special meetings of members shall be held as ordered by the Board of Directors from time to time as stated below.

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##### SECTION 3. SPECIAL MEETING

(a) Authorized persons who may call. A special meeting of the members may be called at any time by the following: The Board of

Directors, the president, or by twenty percent (20%) or more of the members.

(b) Calling meeting by the members. If a special meeting is called by members other than the Board of Directors or the president, the request shall be submitted by such members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the Chairman of the Board, the president, the vice-president, or the Secretary of the Corporation. The officer receiving the request shall cause notice to be promptly given to the members entitled to vote, in accordance with Sections 4 and 5 of this Article VI, that a meeting will be held, and the date for such meeting, which date shall not be less than 35 nor more than 90 days following the receipt of the request. If the notice is not given within 20 days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing or affecting the time when a meeting of members may be held when the meeting is called by action of the Board of Directors.

#### SECTION 4. NOTICE OF MEMBERS' MEETINGS

(a) General Notice Contents. All notices of meetings of members shall be sent or otherwise given not less than 10 nor more than 90 days before the date of the meeting or as may be otherwise ordered by the Directors. The notice shall specify the place, date, and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, or (ii) in the case of the annual meeting, those matters which the Board of Directors, at the time giving the notice, intends to present for action by the members.

(b) Notice of Certain Agenda Items. If action is proposed to be taken at any meeting for approval of any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s):

- (i) Removing a Director without cause;
- (ii) Filling vacancies on the Board of Directors by the members;
- (iii) Amending the Articles of Incorporation;
- (iv) Approving a contract or transaction in which a Director has a material financial interest; or



(v) Approving a plan of distribution of assets, other than cash, in liquidation when the Corporation has more than one class of membership outstanding.

(c) Manner of Giving Notice. Notice of any meeting of members shall be given either personally or by postage prepaid mail, telegraphic, or other written communication, charges prepaid, addressed to each member either at the address of that member appearing on the books of the Corporation or the address given by the member to the Corporation for the purpose of notice. If no address appears on the Corporation's books, notice shall be deemed to have been given if either (i) notice is sent to the member by first-class mail or telegraphic or other written communication to the Corporation's principal executive office, or (ii) notice is published at least once in a newspaper of general circulation in the county where the Corporation's office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

(d) Affidavit of Mailing Notice. An affidavit of the mailing or other means of giving any notice of any members' meeting may be executed by the Secretary, assistant Secretary, or any other party of the Corporation giving the notice, and if so executed, shall be filed and maintained in the minute book of the Corporation.

## SECTION 5. QUORUM

(a) Percentage Required. Thirty-three and one-third percent of the Regular Members eligible to vote, attending in person or by valid proxy as permitted by section 11 of this article, shall constitute a quorum for the transaction of business at a meeting of the members. In calculating the percentage required for a quorum the amount of ~~La Jolla Business Improvement District~~ fees paid shall be used and Regular Members votes shall be weighted as if the amount paid were shares. A lesser amount may constitute a quorum if notice of the general nature of the meeting is sent to the members at least 10 days before the meeting, said notice complying with all Bylaw provisions governing the time and manner of giving notice as stated herein above in Section 4 of Article VI, in which event business shall be limited to formation of a written ballot or proposal for submission to the regular membership by written ballot.

(b) Loss of Quorum. The members present at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, even with the withdrawal of enough Regular Members eligible to vote leaves less than a quorum. If any action is taken (other than adjournment) it must be

approved by at least a majority of said voting-eligible Regular Members required to constitute a quorum.

#### SECTION 6. ADJOURNED MEETING

Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of Regular Members represented at the meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in this Article.

#### SECTION 7. VOTING

(a) Eligibility to Vote. Persons entitled to vote at any meeting of members shall be Regular Members as of the date determined in accordance with Section 10 of this Article VI, subject to the provisions of the California Nonprofit Corporation Law.

(b) Manner of Casting Votes. Voting may be by voice or ballot, provided that any election of Directors must be made by ballot if demanded by any member before the voting begins.

(c) No Cumulative Voting. There shall be no cumulative voting.

(d) Only Majority of Members Represented at Meeting Required, Unless Otherwise Specified. If a quorum is present, the affirmative vote of the majority of the Regular Members represented at the meeting, entitled to vote and voting on any matter (other than the election of Directors) shall be the act of the members, unless the vote of a greater number or voting by classes is required by California Nonprofit Corporation Law or by the Articles of Incorporation.

#### SECTION 8. WAIVER OF NOTICE OR CONSENT BY MEMBERS

(a) Written Waiver of Consent. The transactions of any meeting of members, either annual or special, however called or noticed, and wherever held, shall be valid as though taken at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or consent to a holding of the meeting or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section

4(b) or 5(a) of Article VI, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(b) Waiver by Attendance. Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting, if that objection is expressly made at the meeting.

#### SECTION 9. ACTION BY WRITTEN CONSENT WITHOUT A MEETING

General. 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 written ballots are received from a number of voting-eligible Regular Members at least equal to the quorum applicable to a meeting of members. All such written ballots shall be filed with the Secretary of the Corporation and maintained in the corporate records. All solicitations of ballots shall indicate the time by which the ballot must be returned to be counted, which shall be no less than thirty (30) days and no more than ninety (90) days from the filing with the Secretary, and the number of votes necessary to approve a proposition or elect a Director.

Annual Election of Directors. Annual election, by the members, of the Board of Directors when by written ballot mailed to the regular membership shall be by the receipt by a nominated candidate of highest number the eligible weighted votes cast by Regular Members. Election of Directors at a meeting of the membership shall require the presence of a quorum of the weighted votes and receipt of the highest number of votes cast.

#### SECTION 10. RECORD DATE FOR MEMBER NOTICE, VOTING, GIVING CONSENTS

(a) To be Determined by Board of Directors. For the purposes of determining which members are entitled to receive notice of any meeting, to vote, or to give consent to corporate action without a meeting, the Board of Directors may fix, in advance, a "record date," which shall not be more than 60 or fewer than 10 days before the date of any such meeting, nor more than 60 days before any such action without a meeting. All members, both regular and associate, shall be entitled to notice, but only Regular Members of record on the date so fixed are entitled to vote or to give consents, as the case may be, notwithstanding any transfer of any membership on the books of the Corporation after the record date, except as may

otherwise be provided in the Articles of Incorporation, by agreement, or in the California Nonprofit Corporation Law.

(b) Failure by the Board to Determine Date.

(i) Record Date for Notices or Voting. Unless fixed by the Board, the record date for determining those members entitled to receive notice of, or to vote at, a meeting of members, shall be the next business day preceding the day on which notice is given, or, if the notice is waived, the next business day preceding the day on which the meeting is held.

(ii) Record Date for Written Consent to Action Without Meeting. Unless fixed by the Board, the record date for determining those members entitled to vote by ballot on corporate action without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written consent is given. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action.

(iii) "Record date" Means as of Close of Business. For purposes of this paragraph (b), a person holding membership as of the close of business on the record date shall be deemed a member of record.

SECTION 11. PROXIES

(a) Right of Members. Every person 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. The purpose of proxies shall be to promote participation of the business license holder Regular Members in the governing of this organization. Proxies shall not be used to permit cumulative voting or any other improper purpose.

(b) Revocability. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect unless (i) revoked by the member executing it, before the vote cast pursuant to that proxy, by a writing delivered to the Corporation stating that the proxy is revoked by a subsequent proxy executed by such member, or by personal attendance and voting at a meeting by such member, or (ii) written notice of the death or incapacity of the maker of the proxy is received by the Corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of 11

months from the date of the proxy, unless otherwise provided in the proxy. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of the California Nonprofit Corporation Law.

(c) Form of Solicited Proxies. In any election of Directors, any form of proxy that is marked by a member "withhold", or otherwise marked in a manner indicating that the authority to vote for the election of Directors is withheld, shall not be voted either for or against the election of a Director. Failure to comply with this paragraph shall not invalidate any corporate election taken, but may be the basis for challenging the proxy at a meeting.

(d) Effect of a Member's Death. A proxy is not revoked by the death or incapacity of the maker or the termination of a member as a result thereof, unless, before the vote is counted, written notice of the death or incapacity is received by the Corporation.

## SECTION 12. VOTING OF CLASSES

(a) Regular Member, City assessed. Each regular member in good standing, assessed by the City of San Diego, shall be entitled to vote on all matters submitted to a vote of the members. Regular member's votes shall be weighted on the basis of membership fees assessed to reflect the information appearing on the City of San Diego's list of July 30 of the current year, or if necessary a record date established by action of the Board of Directors."

(b) Regular Member, not assessed by City. Each regular member in good standing, not assessed by the City, shall be entitled to vote on all matters submitted to a vote of the members. Votes from regular members not assessed by the City shall be counted and weighted at assessment rates not inconsistent with the City assessment schedule for the La Jolla Business Improvement District. If the contribution by such a member is greater than provided for within the City assessment schedule than the vote of such a member will be weighed at the highest available assessment level within the City assessment schedule for the La Jolla Business Improvement District."

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(c) Associate Members. Associate members shall not be entitled to vote.

ARTICLE VII

ELECTION OF DIRECTORS

SECTION 1. NOMINATIONS AND SOLICITATIONS FOR VOTES

(a) Election Method. The Board of Directors shall determine each July whether elections are to be conducted by written ballot or at the Annual meeting.

(b) Nominating Procedures. Candidates for the Board of Directors shall be nominated by one of the following methods:

(i) Nominating Committee. At the regular July meeting the president shall appoint a nominating committee to propose qualified candidates for election to the Board of Directors. The Nominating Committee shall consist of at least three members including the immediate past chairman the current chairman and one other selected by the immediate past chairman. The nominating committee shall submit nominees to the Board of Directors in advance of the regular August meeting. The report of the nominating committee shall be received and considered at the regular August meeting.

(ii) Notice to Membership. The Secretary shall mail to each member an election notice and petition form concerning the nomination of directors within seven days following the August meeting. The election notice shall indicate the names of all persons nominated at the August meeting.

(iii) Petition Process. Any eligible candidate may submit a petition, signed by at least twenty-five regular members, placing said candidate's name in nomination. Such petition shall be submitted to the corporation's principal office no latter than first monday of September.

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(c) Election Procedure. At the September meeting the board of Directors shall close the nominations and order the preparation of a written ballot. The Board of Directors may recommend a slate of candidates. The Board of Directors may appoint an inspector of elections and provide for his/her compensation, if any. Within seven days of the September meeting, the Secretary shall forward the written ballot, the recommended slate of candidates, if any, and any proposals to be submitted to the membership for approval to each member, in accordance with the notice requirements of Article VI, Section 4. The written ballot may be accompanied by the annual report to the membership and/or any other materials authorized by the Board of Directors. Written ballots shall be mailed by first class mail to all Regular Members of record as of the preceding

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July 30th or that had demonstrated membership eligibility at the August meeting. In order for a ballot to be counted, it must be properly authenticated and received in a timely manner. Ballots may be hand delivered to the Corporation's principal office until 5:00 p.m. of the first Wednesday of October or delivered by mail with a postmark no later than first Wednesday of October. Ballots will be counted the following Friday beginning at 1:00 P. M..

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Those eligible to vote may cast as many votes by written ballot as there are vacancies to be filled; provided however, no one may cast more than one (1) vote for any one (1) candidate. Candidates for Board of Directors receiving the highest number of affirmative weighted votes from eligible regular Members shall be elected. Preliminary results of the election shall be posted at the corporate office of Promote La Jolla, Inc. on the regular business day following the completion of the counting of the ballots, and shall be announced at the annual Board of Director's meeting. Any protest must be filed with the Board of Directors before the corporation's October Annual meeting. At the corporation's October Annual meeting, the Board of Directors shall hear any protest and confirm the election results.

(e) Nominations from the Floor at an Annual Meeting Without a Written Ballot. If there is a meeting to elect Directors, any member present at the meeting, in person or by proxy (if proxies are permitted), may place names in nomination. The foregoing shall not create any obligation to conduct any such meeting.

(f) If Membership Becomes 5,000 or More Members, the Following Shall Apply:

(i) Solicitation of Votes. If more people are nominated for the Board than can be elected, the election shall take place by means of a procedure that allows all nominees a reasonable opportunity to solicit votes and all members a reasonable opportunity to choose among nominees. If after the close of nominations the number of people nominated for the Board is not more than the number of Directors to be elected, the Corporation may without further action declare those nominated and qualified to be elected have been elected.

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(ii) Publications. Without limiting the generality of the foregoing, if the Corporation now or hereafter publishes, owns, or controls a magazine, newsletter or other publication, and publishes material in the publication soliciting votes for any nominee for Director, it shall make available to all other nominees in the same issue of the publication, an equal amount of space, with equal prominence, to be used by the nominee for a purpose reasonably related to the election.

(iii) Mailing Election Materials. On written request by any nominee for election to the Board and accompanying payment of the reasonable costs of mailing (including postage), the Corporation shall, within 10 business days after the request (provided payment has been made), mail to all members, or such portion of them as the nominee may reasonably specify, any material that the nominee may furnish and that is reasonably related to the election, unless the Corporation within five business days after the request allows the nominee, at the Corporation's option, the right to do either of the following: (1) inspect and copy the record of all members' names, addresses, and voting rights, at reasonable times, five business days' prior written demand on the Corporation, which demand shall state the purpose for which the inspection rights are requested; or (2) obtain from the Secretary of the Corporation, on written demand and tender of a reasonable charge, a list of the names, addresses and voting rights of those members entitled to vote for the election of Directors, as of the most recent record date for which it has been compiled or as of a date specified by the member subsequent to the date of demand. The membership list shall be made available on or before the later of 10 business days after the demand is received or after the date specified in it as the date by which the list is to be compiled. Nothing in this section shall cause a delay in the election procedures established by the Board of Directors.

(iv) Refusal to Publish or Mail Material. The Corporation may not decline to publish or mail material that it is otherwise required hereby to publish or mail on behalf of any nominee, on the basis of the content of the material, except that the Corporation or any of its agents, officers, Directors or employees may seek and comply with an order of the Superior Court allowing them to delete material that the court finds will expose the moving party to liability.

(v) Use of Corporate Funds to Support Nominee. Without authorization of the Board, no corporate funds may be expended to support a nominee for Director after there are more people nominated for Director than can be elected.

## SECTION 2. VOTE REQUIRED TO ELECT DIRECTOR

Candidates receiving the highest number of weighted votes cast by eligible Regular Members shall be elected as Directors.



## ARTICLE VIII

### DIRECTORS

#### SECTION 1. POWERS

(a) General Corporate Powers. Subject to the provisions of the California Nonprofit Corporation Law and any limitation in the Articles of Incorporation and these Bylaws relating to action required to be approved by the members, 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.

(b) Specific Powers. Without prejudice to these general powers, and subject to the same limitation, the Board of Directors shall have the power to:

(i) Select and remove all officers, agents, and employees of the Corporation; prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; and fix their compensation.

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

(iii) Adopt, make, and use a corporate seal; prescribe the forms of membership certificates; and alter the form of the seal and certificate.

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

#### SECTION 2. NUMBER AND QUALIFICATION OF DIRECTORS.

The authorized number of Directors shall be 15. Directors shall be a Regular Member of the Corporation at the time of his/her election to the Board of Directors. Should a Director cease to be a Regular Member during his/her term of office such may hold office until the following annual election and shall not be eligible for reelection until re-qualifying as a regular member.

### SECTION 3. ELECTION AND TERM OF OFFICE OF DIRECTORS.

Directors shall take office at the January meeting following the annual meeting and shall hold office until the January meeting two years hence; however, if any annual meeting is not held or the Directors are not confirmed at any annual meeting, the Directors shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. The terms of the Board of Directors shall be staggered. The nominations committee and ballot procedure shall designate the length of term of each Director's seat.

Directors shall be elected by written ballot or at the annual meeting of the Corporation, and shall hold office for the succeeding two (2) years. A term of office shall run from January to two (2) years thereafter.

### SECTION 4. VACANCIES

(a) Events Causing Vacancy. A vacancy or vacancies in the Board of Directors shall be deemed to exist on the occurrence of any of the following: (i) the death, resignation, or removal of any Director, (ii) the declaration by resolution of the Board of Directors of a vacancy of the office of a Director who, without good cause, has failed to attend three (3) regular meetings of the Board between the months of January and December, or 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 legally imposed duty under the California Nonprofit Corporation Law, (iii) the affirmative weighted vote of the majority of members to remove a Director at a meeting of the membership, (iv) the increase of the authorized number of Board of Directors, or (v) the failure of the members, at any meeting of members at which any director or Directors ~~are~~ to be elected, to elect the number of Directors to be elected at such meeting.

(b) Resignation. Except as provided in this paragraph, any Director may resign, which resignation shall be effective on giving written notice to the Chairman of the Board, the president, the Secretary, or the Directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective. Vacancies filled by the Board of Directors shall be to fill the vacant term by seat. No Director may resign when the Corporation would then be left without a duly elected Director or Directors in charge of its affairs. The Board of Directors may consider that a Director has constructively resigned if a vacancy occurs because of failure to attend meetings as described in section 4 (a) ii directly above.

(c) Vacancies Filled By Directors. The directors may elect a Director at any time to fill any vacancy on the Board of Directors. The President shall announce a vacancy at the regular meeting following the events causing the vacancy. Any eligible person desiring to be a candidate should submit a letter expressing an interest in serving to the President ten (10) days preceding the next regular meeting of the Directors. The President should forward the letter(s) of interests to the Board of Directors, seven (7) days in advance of the next regular Board of Directors meeting. At the regular meeting following the meeting at which a vacancy was announced, the Board members, by written ballot, may elect from the eligible candidates a person to fill the term of the Board member who caused the vacancy.

(d) Vacancies Filled By Members. The members may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors, but any such election by written consent shall require the consent of a majority of the weighted regular membership.

(e) 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 that Director's term of office expires.

#### SECTION 5. PLACE OF MEETINGS; MEETINGS BY TELEPHONE

Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the Corporation. Special meetings of the Board shall be held at any place within or outside the State of California that 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. Notwithstanding the above provisions of this Section 5, a regular or special meeting of the Board of Directors may be held at any place consented to in writing by all Board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at such meeting. The Secretary shall take action to request ratification of any actions taken by telephone at the next meeting of the Board of Directors as provided in section 10 of this Article.

## SECTION 6. ANNUAL MEETING

Following each annual meeting of members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of this meeting shall not be required.

## SECTION 7. OTHER REGULAR MEETINGS

Other regular meetings of the Board of Directors shall be held without call at such time as shall from time-to-time be fixed by the Board of Directors. Such regular meetings may be held without notice.

## SECTION 8. SPECIAL MEETINGS

(a) Authority to call. Special meetings of the Board of Directors for any purpose may be called at any time by the Chairman of the Board or the President, or any Vice-President, the Secretary, or any two Directors.

(b) Notice.

(i) Manner of Giving. Notice of the time and place of special meeting shall be given to each Director by one of the following methods: (a) by personal delivery or written notice; (b) by first-class mail, postage paid; (c) by telephone communication, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Corporation.

*Not to members*

(ii) Time Requirements. Notices sent by first-class mail shall be deposited into a United States mail box at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.

(iii) Notice Contents. The notice shall state the time and place for the meeting. However, it need not specify the purpose of meeting or the place of the meeting; if it is to be held at the principal executive office of the Corporation.

## SECTION 9. 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 11 of this article VIII. 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 shall be regarded as the act of the Directors, subject to the provisions of the California Nonprofit Corporation Law, especially those provisions relating to (i) the approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (ii) appointment of committees, and (iii) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action is approved by at least a majority of the required quorum for that meeting.

#### SECTION 10. WAIVER OF NOTICE

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

#### SECTION 11. ADJOURNMENT

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

#### SECTION 12. NOTICE OF ADJOURNMENT

Notice of the time and place of holding an adjourned meeting need not be given unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of adjournment.

#### SECTION 13. ACTION WITHOUT MEETING

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as an unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of

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proceedings of the Board.

#### SECTION 14. FEES AND COMPENSATION OF DIRECTORS.

Directors and members of committees shall receive no compensation for their services as such, but may receive reimbursement of expenses as may be determined by resolution of the Board of Directors to be just and reasonable.

### ARTICLE

### COMMITTEES

#### SECTION 1. COMMITTEES - GENERAL

The Chairman of the Board of Directors may establish such committees of Directors, members, and non members as are necessary to carry out the purposes of the Corporation. Unless such committees are specifically delegated powers by written resolution of the Board of Directors, these committees shall not have the powers of the Board of Directors delegated to them. Committees which may be established are, but not limited to the following:

NOMINATIONS  
ASSESSMENT ADJUSTMENT  
PROMOTIONS  
BEAUTIFICATION

#### SECTION 2. COMMITTEES EMPOWERED BY RESOLUTION

The Board of Directors may, by resolution adopted by a majority of the Directors then in office, designate one or more committees, each consisting of two or more Directors, to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

- (a) Take any final action on matters which, under the Nonprofit Corporation Law of California, also requires members' approval or approval of the outstanding shares;
- (b) Fill vacancies on the Directors or in any committee;
- (c) Fix compensation of the Directors for serving on Board or on any committee;
- (d) Amend or repeal Bylaws or adopt new Bylaws;

(e) Amend or repeal any resolution of the Board of Directors or the members of these committees;

(f) Appoint any other committees of the Board of Directors or the members of these committees;

(g) Expend corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected; or

(h) Approve any transaction (1) to which the Corporation is a party and one or more Directors have a material financial interest; or (2) between the Corporation and one or more of its Directors or between the Corporation and any person in which one or more of its Directors have a material financial interest.

### SECTION 3. EXECUTIVE COMMITTEE

The officers of the Corporation may constitute an executive committee to carry out the day-to-day business of the Corporation. The membership and authority of this committee shall be established by written resolution of the Board of Directors. The executive committee's authority shall be limited to the provisions of Section 2 Committees of Directors, directly above.

### SECTION 4. MEETINGS AND ACTION OF RESOLUTION COMMITTEES

Meetings and action of Resolution Committees shall be governed by, and held and taken in accordance with, the provisions of Article VIII of these Bylaws, concerning meetings of Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

### SECTION 5. MEETINGS AND ACTION OF OTHER COMMITTEES

Committees, formed under section one of this Article and not granted the powers of the Board of Directors described and limited in sections two and three of this Article, may schedule meetings and conduct committee business in an informal manner as long as

recommendations from these committees return to the Board of Directors for consideration and approval. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

ARTICLE X

OFFICERS

*Are Officers  
Directors?*

SECTION 1. OFFICERS

The officers of the Corporation shall be a president, a Secretary, and a chief financial officer. The Corporation may also have, at the discretion of the Board of Directors, 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 the provisions of Section 3 of this Article X. 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 Chairman of the Board.

SECTION 2. ELECTION OF OFFICERS

The officers of the Corporation, except those appointed in accordance with the provisions of Section 3 of this Article X, 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.

SECTION 3. SUBORDINATE OFFICERS

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

SECTION 4. 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, at any regular or special meeting of the Board, or, except in the 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.



## SECTION 5. RESIGNATION OF OFFICERS

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

## SECTION 6. VACANCIES IN OFFICES

(a) Chairman of the Board. If such an officer be elected, the Chairman of the Board shall preside at meetings of the Board of Directors and exercise and perform other such powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by these Bylaws. If there is no president, the Chairman of the Board shall, in addition, be the Chief Executive Officer of the Corporation and shall have the powers and duties described in paragraph b, below.

(b) President. Subject to such supervisory powers as may be given by the Board of Directors to the Chairman of the Board, if any, president shall, subject to the control of the Board of Directors, generally supervise, direct, and control the business and the officers of the Corporation. He shall preside at all meetings of the members and, in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board of Directors. He shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

(c) Vice Presidents. In the absence or disability of the president, the vice presidents, if any, in order of their rank as fixed by the Board of Directors or, if not ranked, a vice president designated by the Board of Directors, 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 presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the Chairman of the Board.

(d) Secretary. The Secretary shall attend to the following:

(i) Book of Minutes. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of Directors, committees formed by Directors, resolution, and membership. The book of minutes shall specify for

each meeting the time and place of its holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, the number of members present or represented at member's meetings, and the proceedings of such meetings.

(ii) Membership Records. The Secretary shall keep, or cause to be kept, at the principal executive office or other such place, as determined by resolution of the Board of Directors, record of the corporate members, showing the names of all members, their addresses, and the class of membership held by each.

(iii) Notices, Seal and Other Duties. The Secretary shall give, or cause to be given, notice of all meetings of members and of the Board of Directors required by the Bylaws to be given. The Secretary shall keep the seal of the Corporation in safe custody. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

(e) Chief Financial Officer. The chief financial officer shall attend to the following:

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

(ii) 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 of Directors; shall disburse the funds of the Corporation as may be ordered by the Board of Directors; shall render to the president and Directors, whenever they request it, an account of all of his 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 of Directors or the Bylaws.

(iii) Bond. If required by the Board of Directors, the chief financial officer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under

his control on his death, resignation, retirement, or removal from office. The requirements for obtaining a bond may be waived or paid by the Board of Directors and shall not normally apply to a Director who is serving as the organization's treasurer.

## ARTICLE XI

### INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

#### SECTION 1. DEFINITIONS

For the purposes of this Article,

(a) "agent" means any person who is or was a Director, officer, employee, or other representative of this corporation, or is or was serving at the request of this corporation as a Director, officer, employee, or representative of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a Director, officer, employee, or representative of a foreign or domestic corporation that was a predecessor corporation of this corporation or of another enterprise at the request of the predecessor corporation.

(b) "proceeding" means any threatened, pending or completed action or complaint, whether civil, criminal, administrative, or investigative; and

(c) "expenses" includes, without limitation, all attorneys' fees, costs, and other obligations incurred in the defense of any claims or proceedings against an agent by reason of this position or relationship as agent and all attorneys' fees, costs, and other obligations incurred in establishing a right to indemnification under this Article.

#### SECTION 2. SUCCESSFUL DEFENSE BY AGENT

To the extent that an agent of this corporation has been successful on the merits in the defense of any proceeding referred to in this Article, or in the defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him, then the provisions of Section 3 through 5 shall determine whether the agent is entitled to indemnification.

**SECTION 3. ACTIONS BROUGHT BY PERSONS OTHER THAN The Corporation**

Subject to the required findings to be made pursuant to Section 5, below, this corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding other than an action brought by, or on behalf of, this corporation, or by an officer, Director or other person granted related status by the Attorney General, or by the Attorney General on the ground that the defendant Director was or is engaging in self-dealing within the meaning of the California Corporations Code, or by the Attorney General 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, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

**SECTION 4. ACTION BROUGHT BY OR ON BEHALF OF The Corporation**

(a) Claims Settled Out of Court. If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of this corporation, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding: unless otherwise authorized by an affirmative vote of the Directors or the membership.

(b) Claims and Suits Awarded Against Agent. This corporation shall indemnify any person who was or is a party, or is threatened to be made party to any threatened, pending or completed action brought by or on behalf of this corporation, for all expenses actually and reasonably incurred in connection with the defense of that action, provided both of the following are met:

(i) The determination of good faith conduct required by Section 5, below, must be made in the manner provided for in that section; and

(ii) Upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the agent should be entitled to indemnify for the expenses incurred. If the agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

**SECTION 5. DETERMINATION OF AGENT'S GOOD FAITH CONDUCT**

The indemnification granted to agent in Sections 2, 3, and 4

above is conditioned on the following:

(a) Required Standard of Conduct. The agent seeking reimbursement must be found, in the manner provided below, to have acted in good faith, in a manner he believed to be in the best interest of this corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in the best interest of this corporation, or that he had reasonable cause to believe that his conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that his conduct was unlawful.

(b) Manner of Determination of Good Faith Conduct. The determination that the agent did act in a manner complying with Paragraph (a) above shall be made by:

(i) the Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to the proceeding;

(ii) the affirmative vote (or written ballot in accordance with Article VI, Section 9) of a majority of the weighted votes represented and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum).

(iii) the court in which the proceeding is or was pending. Such determination may be made on application brought by this corporation or the agent or the attorney or other person rendering a defense to the agent, whether or not the application by the agent, attorney, or other person is opposed by this corporation.

#### SECTION 6. LIMITATIONS

No indemnification or advance shall be made under this Article, except as provided in Section 2 or 5(b)(iii), in any circumstance when it appears:

(a) That the indemnification or advance would be inconsistent with a provision of the articles, a resolution of the members, or an agreement in effect at the time of the 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 this indemnification; or

(b) That the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

#### SECTION 7. ADVANCE OF EXPENSES

Expenses estimated to be incurred in defending any proceeding may be advanced by this corporation before the final disposition of the proceeding. Such undertaking by the Corporation or on behalf of the agent may be conditioned on repayment of all or part of the amount of the advance unless it is determined ultimately that the agent was entitled to be indemnified as authorized in this Article.

#### SECTION 8. CONTRACTUAL RIGHTS OF NON DIRECTORS AND NON OFFICERS

Nothing contained in this Article shall affect the right to indemnification to which persons other than Directors and officers of this corporation, or any subsidiary hereof, may be entitled by contract or otherwise.

#### SECTION 9. INSURANCE

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation against 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 the liability under the provisions of this section.

#### SECTION 10. FIDUCIARIES OR CORPORATE EMPLOYEE BENEFIT PLAN

This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though that person may also be an agent of the Corporation as defined in Section 1 of this Article. Nothing contained in this Article shall limit any right to indemnification to which such a trustee, investment manager, or other fiduciary may be entitled by contract or otherwise, which shall be enforceable to the extent permitted by applicable law.

ARTICLE XII

RECORDS AND REPORTS

SECTION 1. INSPECTION RIGHTS

Any member of this corporation may:

(i) inspect and copy the records of members' names and addresses and voting rights during usual business hours on five days' prior written demand on the Corporation, stating the purpose for which the inspection of rights are requested, and

(ii) obtain from the Secretary of the Corporation, on written demand and on the tender of the Secretary's usual and reasonable charges, if any, provide a list of names and addresses of members who are entitled to vote for the election of Directors, and their voting rights, as of the most recent record date for which that list has been compiled, or as of a date specified by the member after the date of demand. The demand shall state the purpose for which the list is requested. The list shall be made available to any such member by the Secretary on the date specified in it as the date by which the list is to be compiled or on or before the later of 10 days after the demand is received.

Any inspection and copying under this section may be made in person or by an agent or attorney of the member and the right of inspection includes the right to copy and make extracts.

SECTION 2. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS

The Corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this State, the original or a copy of the articles and Bylaws as amended to date, which shall be open to inspection by members at all reasonable hours. If the principal executive office of the Corporation is outside the State of California and the Corporation has no business office in this State, the Secretary shall, on the written request of any member, furnish to that member a copy of the article and Bylaws as amended to that date.

SECTION 3. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS

The accounting books, records, and minutes of proceeding of the members and the Board of Directors and any committee(s) of the Board of Directors shall be kept at such place or places designated

by the Board of Directors, or in absence of such designation, at the principal executive office of the Corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept in written, typed, or printed form. The minutes and accounting books and records shall be open to inspection on written demand of any member, at any reasonable time during usual business hours, for a purpose reasonably related to the member's interests as a member. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts at a reasonable time and for reasonable costs. These rights of inspection shall extend to the records of each subsidiary corporation of the Corporation.

#### SECTION 4. 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 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 to make extracts at reasonable times and for reasonable costs. ) \*

#### SECTION 5. ANNUAL REPORT

The annual report to members referred to in the California Nonprofit Corporation Law is expressly dispensed with, but nothing in these Bylaws shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the members of the Corporation as they consider appropriate. However, the Corporation shall provide to the Directors, and to those members who request it in writing, within 120 days ("October") of the close of its fiscal year, a report containing 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.



## ARTICLE XIII

### CONSTRUCTION AND DEFINITIONS

Unless the context requires otherwise; the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine, the plural number includes the singular, and the term "person" includes any natural persons, firm, partnership, or corporation.

## ARTICLE XIV

### AMENDMENTS

#### SECTION 1. AMENDMENT BY MEMBERS

New Bylaws may be adopted or these Bylaws may be amended or repealed by approval of a majority of the Regular Members or their proxies, or by written assent of these persons by weighted vote.

#### SECTION 2. AMENDMENT BY DIRECTORS

Subject to the right of members under Section 1 of this Article XIV, Bylaws other than a Bylaw fixing or changing the authorized number of Directors may be adopted, amended or repealed by the Board of Directors. However, if the article of incorporation or Bylaws adopted by the members provide for an indefinite number of Directors within specified limits, the Directors may adopt or amend a Bylaw fixing the exact number of Directors within those limits.

ARTICLE IV

OBJECTIVES AND PURPOSES

The objectives of this corporation shall be for the mutual benefit of its members and for those purposes as set forth in the Articles of Incorporation.

The Board of Directors may adopt such mission statements, goals and objectives, rules, and other documents as may be necessary to carry out the Objectives and Purposes of this corporation.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am presently elected and acting Secretary of Promote La Jolla, Inc., a California Mutual Benefit corporation, and the above Bylaws, consisting of 33 pages, are the Bylaws of this corporation as adopted at a meeting of the Board of Directors held on February 12, 1994, in the City of La Jolla, State of California. The Bylaws were last amended at the meeting of the Board of Directors held on September 14, 1994 in the community of La Jolla, City of San Diego, State of California. Following these amendments the Board of Directors placed a proposition, before the membership to change the terms of Directors. This proposition was approved by a majority of the membership voting in the annual election and subsequently the amendments to the Bylaws were ratified by the membership at the noticed annual meeting of the membership of October 19, 1994.

Dated: OCTOBER 19, 1994

  
Steve Mihal, Secretary