

**AMENDED BYLAWS
OF THE
RANCHO COLORADOS CLUB
A CALIFORNIA NONPROFIT MUTUAL BENEFIT
CORPORATION
(As amended on
November 20, 2014)**

ARTICLE I - NAME

The name of this corporation (the "Corporation") is **RANCHO COLORADOS CLUB**.

ARTICLE II - PURPOSE

The purpose of the Corporation is to receive, acquire, hold, manage, administer and expend property and funds for social, educational or recreational purposes, and to organize, conduct, administer, own and operate a swimming pool and attendant facilities, tennis courts and other recreational facilities for the use and benefit of the members of the Corporation. The Corporation is not organized for the purpose of distributing gains, profits or dividends to the members thereof, and no part of its net earnings, if any, shall inure to the benefit of any member or individual.

ARTICLE III - OFFICES

The principal office for the transaction of the activities and affairs of the Corporation is located at 3016 Rohrer Drive, Lafayette, Contra Costa County, California 94549. The Board of Directors of the Corporation (the "Board") shall have full power and authority to change said principal office from one location to another. Any such change of location must be noted by the Secretary/Communications Director of the Corporation on these Bylaws opposite this Article or, alternatively, this Article may be amended to state the new location.

ARTICLE IV - BOARD OF DIRECTORS

Section 1. Authorized Number. The authorized number of Directors shall be nine (9) unless changed by amendment of these Bylaws. There shall be no more than one Director per family.

Section 2. Composition and Qualifications of the Board. The Board of Directors shall consist of six (6) Officers – a President, Vice President/President-Elect, Chief Financial Officer/Treasurer, Secretary/Communications Director, Swim Programs Director and Tennis Programs Director – and three (3) Board Members at Large, one (1) of which shall be the Membership Board Member and the other two (2) of which shall perform such duties as shall be determined by the incoming President annually.

Section 3. Term of Office. Each Board Member at Large and each Officer/Board Member shall be elected for a regular one year term, subject to Section 6 of this Article. All terms shall start on January 1st and end on December 31st. Except as otherwise

provided in the Corporation's Articles or these Bylaws, each Director shall hold office until the expiration of the term for which elected and until a successor has been elected.

Section 4. Nomination. The Board of Directors shall, prior to November 1st each year, nominate at least one member to each elected office that will expire on December 31st of that year. At the meeting of the members for purposes of electing Directors, any member present at the meeting may place names in nomination. No member may be nominated for election to office unless he/she is present at any meeting at which he/she is nominated, or his/her written consent has been obtained prior to such meeting.

Section 5. Election. The election of Directors shall take place at the regular annual meeting of the general membership of the Corporation to be held in November of each year. The Board of Directors shall establish rules for the conduct of such elections which shall provide at least:

- (a) A reasonable means for the membership to nominate additional persons for election as Directors;
- (b) A reasonable opportunity for a nominee to communicate to the members the nominee's qualifications and the reasons for the nominee's candidacy;
- (c) A reasonable opportunity for all nominees to solicit votes; and
- (d) A reasonable opportunity for all members to choose among the nominees. Each nominee for the position of Director shall be voted on and the nominated individuals, ranked in order of total votes shall be elected as Directors until all positions as Directors are filled. In the event of a tie vote, all nominees involved in the tie vote shall be subject to another vote(s) until the tie is broken.

Section 6. Limitation of Terms. No person shall serve more than eight (8) consecutive years as a Director; however, no Director may serve in the same capacity as an officer or designated Director for more than four (4) consecutive years. Partial terms of less than one year shall be counted as one year.

Section 7. Vacancies. A vacancy or vacancies on the Board of Directors shall occur in the event of: (a) the death or resignation of any Director; (b) the declaration by resolution of the board of a vacancy in the office of a Director who has been convicted of a felony or declared of unsound mind by a court order; (c) the vote of the members to remove any Director(s); (d) an increase in the authorized number of Directors; or (e) a failure of the members, at any meeting of the members at which any Director or Directors are to be elected, to elect the number of Directors required to be elected at that meeting.

Section 8. Removal of Director For Cause. The Board of Directors may declare vacant the office of any Director who (a) has been declared of unsound mind by a final order of court, (b) has been convicted of a felony, or (c) fails to attend three (3) consecutive Board meetings.

Section 9. Removal of Director Without Cause. Any and all Directors may be removed without cause if the removal is approved by a vote of at least two thirds (2/3) of the members in good standing, or at least two thirds (2/3) of a quorum of members at a membership meeting as specified in Article VII, Section 7, of these Bylaws.

Section 10. Resignation of Directors. Any Director may resign by giving written notice to the President, Secretary/Communications Director or the Board of Directors of the Corporation. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective.

Section 11. Vacancies Filled By the Board. Except for a vacancy created by the removal of a Director by the members, vacancies on the Board may be filled by approval of the Board or, if the number of Directors then in office is less than a quorum, by (a) the unanimous written consent of the Directors then in office, (b) 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 section 7211 of the California Nonprofit Mutual Benefit Corporation Law, or (c) a sole remaining Director. Each person so appointed to fill a vacancy on the Board shall hold office until the expiration of the then current term.

Section 12. Vacancies Filled By the Members. The members may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors by a vote of at least two thirds (2/3) of the members in good standing, or at least two thirds (2/3) of a quorum of members at a membership meeting as specified in Article VII, Section 7, of these Bylaws. Each person so elected to fill a vacancy on the Board shall hold office until the expiration of the then current term.

Section 13. General Powers of the Board. Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations of the Articles of Incorporation or these Bylaws regarding actions that require approval of the members, the Corporation's activities and affairs shall be conducted, and all corporate powers shall be exercised, by or under the direction of the Board.

Section 14. Specific Powers of the Board. Without prejudice to the general powers set forth in Section 13 of this Article, but subject to the same limitations, the Board shall have the power:

- (a) To call special meetings of the Board of Directors or of the general membership;
- (b) To appoint from time to time such committees as it may deem necessary to enhance the general welfare of the Corporation;
- (c) To enter into such contracts and obligations as it shall in its discretion deem necessary to accomplish the purpose of the Corporation; and
- (d) To recommend amendments to these Bylaws, as necessary, all pursuant to these Bylaws.

ARTICLE V - COMMITTEES OF THE BOARD OF DIRECTORS

Section 1. Creation and Powers. The Board, by resolution adopted by a majority of the Directors then in office, may create one or more committees, each consisting of two or more Directors and no one who is not a Director, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the

Directors then in office. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee shall have all the authority of the Board, to the extent provided in the Board resolution, except that no committee may:

- (a) Take any final action on any matter that, under the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;
- (b) Fill vacancies on the Board or any authorized committee of the Board;
- (c) Amend or repeal Bylaws or adopt new Bylaws;
- (d) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable; or
- (e) Create any other committees of the Board or appoint members of committees of the Board.

Section 2. Meetings and Action of Committees. Meetings and actions of committees of the Board shall be governed by, held, and taken under the provisions of these Bylaws concerning meetings and other Board actions, except that the time for general meetings of such committees and the call of special meetings of such committees may be set either by Board resolution or, if none, by resolution of the committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee as long as the rules are consistent with these Bylaws. If the Board has not adopted such rules, the committee may do so.

ARTICLE VI - OFFICERS

Section 1. Officers. The officers of the Corporation shall consist of a President, Vice President/President-Elect, Secretary/Communications Director, Chief Financial Officer/Treasurer, Swim Programs Director and Tennis Programs Director. The Corporation, at the Board's discretion, may also have one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed pursuant to Section 4 of this Article.

Section 2. Nomination of Officers. The Board of Directors shall, prior to November 1st of each year, nominate one or more members for the offices of President, Vice President/President-Elect, Secretary/Communications Director, Chief Financial Officer/Treasurer, Swim Programs Director and Tennis Programs Director to be voted upon by the members at the annual meeting in November. At the meeting of the members for purposes of electing officers, further nominations by the members shall be permitted. No person shall hold more than one office concurrently.

Section 3. Election of Officers. Officers of the Corporation shall be elected for a regular term of one (1) year. Election of the President, Vice President/President-Elect, Secretary/Communications Director, Chief Financial Officer/Treasurer, Swim Programs Director and Tennis Programs Director shall take place at the regular annual meeting of the general membership of the Corporation to be held in November of each year. All persons elected must be members in good standing of the Corporation. Each officer of the Corporation shall have the authority and duties customarily associated with his office,

together with such other duties as shall be delegated to or placed upon him by the general membership.

Section 4. Appointment of Other Officers. The Board may appoint and authorize the President or another officer to appoint any other officers that the Corporation may require. Each appointed officer shall have the title and authority, hold office for the period, and perform the duties specified in the Bylaws and established by the Board.

Section 5. Resignation of Officers. An officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective.

Section 6. Responsibilities of Officers.

(a) **President.** Subject to the control of the Board, the President shall be the general manager and chief executive officer of the Corporation and shall supervise, direct and control the corporation's activities, affairs and officers. The President shall preside at all meetings of the Board and of the members. The President shall have such other powers and duties as the Board or the Bylaws may require, including, without limitation, the power to sign, on behalf of the Corporation, contracts and other instruments that have first been approved by the Board.

(b) **Vice President/President-Elect.** The Vice President/President-Elect, in the absence or inability of the President to serve, shall exercise all the authority and perform all duties granted to, and be subject to all restrictions imposed upon, the President, by law or by these Bylaws.

The primary responsibility of the Vice President/President-Elect is to become familiar with the operation of the Corporation, the Board, and the responsibilities of the President. The Vice President/President-Elect may, however, also choose to assume additional responsibilities during his term in office. Prior service as Vice President/President-Elect is not a requirement for becoming President of the Corporation. To become President in a future term, the Vice President/President-Elect must be duly elected as President by the membership at the annual membership meeting held in November of each year.

(c) **Secretary/Communications Director.** The Secretary/Communications Director shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, of any committees of the Board, and of members' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at Board and committee meetings; and the number of members present or represented at members' meetings.

The Secretary/Communications Director shall have the power to sign, on behalf of the Corporation, contracts and other instruments that have first been approved by the Board and shall have such other powers and perform such other duties as the Board or these Bylaws may require.

The Secretary/Communications Director shall keep or cause to be kept at the principal office of the Corporation, a copy of the Corporation's Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection by the members at all reasonable times during office hours, and shall keep the corporate seal, if any, in safe custody. The Secretary/Communications Director shall also keep or

cause to be kept, at the Corporation's principal office or a place determined by resolution of the Board, a record of the Corporation's members, showing each member's name and address.

The Secretary/Communications Director shall give, or cause to be given, notice of all meetings of members, of the Board, and of committees of the Board, that these Bylaws require to be given. The Secretary/Communications Director shall also be responsible for coordinating the dissemination of information to members via regular mail and/or email.

- (d) Chief Financial Officer/Treasurer.** The Chief Financial Officer/Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Chief Financial Officer/Treasurer shall send, or cause to be given, to the members and Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account of the Corporation shall be open to inspection by any Director at all reasonable times. The Chief Financial Officer/Treasurer shall cause the books of the Corporation to be audited once annually in a manner prescribed by the Board.

The Chief Financial Officer/Treasurer shall: (i) deposit or cause to be deposited all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate; (ii) maintain separate savings and checking accounts in the name of the Corporation, from which withdrawals in amounts greater than an amount specified by the Board shall require the signature of any two (2) officers of the Corporation or such other parties as the Board may authorize in writing from time to time; (iii) disburse the Corporation's funds and effect payment of obligations of the Corporation as directed by the Board; (iv) render to the President and the Board, when requested, an account of all transactions and of the financial condition of the Corporation; (v) make a report of the Corporation's financial condition at each regular annual meeting of the membership and submit such report in writing to the Secretary/Communications Director to be entered into the minutes of such meeting; and (vi) have such other powers and perform such other duties as the Board or these Bylaws may require.

The Chief Financial Officer/Treasurer shall be the custodian of all tax papers, insurance policies, licenses, permits, and other papers belonging to the Corporation and shall file all tax data and returns for the Corporation with the proper authorities.

- (e) Swim Programs Director.** The Swim Programs Director shall be the general manager of the Corporation's Swim Team program and shall supervise, direct and control the Corporation's activities and affairs with regard to the Swim Team. The Swim Programs Director shall form a Swim Team Subcommittee consisting of three members who are not required to be Board members to administer the Swim Team program. The Swim Programs Director shall chair the Swim Team Subcommittee and shall represent the Subcommittee and report its actions to the Board. Such Subcommittee members shall include: one (1) Swim Team Meet Coordinator, one (1) Swim Team Activities Coordinator, and one (1) Swim Team Treasurer. The specific responsibilities of each of the Swim Team Subcommittee members shall be determined by the Swim Programs Director on an annual basis.
- (f) Tennis Programs Director.** The Tennis Programs Director shall be the general manager of the Corporation's tennis programs and shall supervise, direct and control the Corporation's activities and affairs with regard to tennis programs. The Tennis Programs Director shall form a Tennis Programs Subcommittee consisting of four members who are not required to be Board members to administer the

Corporation's tennis programs. The Tennis Programs Director shall chair the Tennis Team Subcommittee and shall represent the Subcommittee and report its actions to the Board. Such Subcommittee members shall include: one (1) Junior Tennis Team Coordinator, one (1) Women's Tennis Team Coordinator, one (1) Men's Tennis Team Coordinator, and one (1) Tennis Programs Treasurer. The responsibilities of each of the Tennis Programs Subcommittee members will be determined by the Tennis Programs Director on an annual basis.

ARTICLE VII - MEMBERSHIP MEETINGS

Section 1. Annual Membership Meeting. An annual meeting of the general membership of the Corporation shall be held during the month of November of each calendar year at such date, time and place as shall be designated by the Board of Directors. At the meeting, Directors shall be elected and other proper business may be transacted, subject to the provisions of these Bylaws.

Section 2. Special Membership Meetings. The Board or the President, or five percent (5%) or more of the membership in good standing, may call a special meeting of the members for any lawful purpose at any time. A special meeting called by any person entitled to call a meeting (other than the Board) shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the President, Vice President or Secretary/Communications Director of the Corporation. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, pursuant to this Article, stating that a meeting will be held at a specified time and date fixed by the Board, provided, however, that the meeting date shall be at least thirtyfive (35) but not more than ninety (90) days after receipt of the request. If notice is not given within twenty (20) days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this Section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board.

Section 3. General Notice Requirements. Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given pursuant to this Article VII, to each member entitled to vote at that meeting. The notice shall specify the place, date and hour of the meeting. For the annual meeting, the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the members. For a special meeting, the notice shall state the general nature of the business to be transacted. The notice of any meeting at which Directors are to be elected shall state the intention to conduct such an election.

Section 4. Notice of Certain Agenda Items. Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals to (a) remove a Director without cause, (b) fill vacancies on the Board, (c) amend the Corporation's Articles of Incorporation, or (d) elect to wind up and dissolve the Corporation.

Section 5. Manner of Giving Notice. Notice of any meeting of members shall be in writing and shall be given at least ten (10) but no more than ninety (90) days before the meeting date. The notice shall be given either personally or by first class, registered, or certified mail, or by other means of written communication (including electronic mail), charges prepaid, and shall be addressed to each member entitled to vote, at the address of that

member as it appears on the books of the Corporation or at the address given by the member to the Corporation for purposes of notice.

Section 6. Affidavit of Mailing Notice. An affidavit of mailing of any notice of any members' meeting, or of the giving of such notice by other means, may be executed by the Secretary/Communications Director of the Corporation and, if so executed, shall be filed and maintained in the Corporation's minute book.

Section 7. Quorum for Membership Meetings. Not less than ten percent (10%) of the general membership in good standing shall constitute a quorum for the transaction of business at any meeting of members. If, however, the attendance at any general or annual meeting, whether in person or by proxy, is less than one third of the membership, the members may vote only on matters as to which notice of their general nature was given under Section 4 of this Article VII. Except as otherwise required by law, the Articles of Incorporation, or these Bylaws, the members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum. In the absence of a quorum, the meeting shall have no authority except to adjourn until such time as may be deemed proper by the members present.

ARTICLE VIII - BOARD MEETINGS

Section 1. Place of Meeting. Meetings of the Board of Directors shall be held at any place that has been designated by resolution of the Board or in the notice of the meeting or, if not so designated, at the principal office of the Corporation.

Section 2. Regular Meetings. Immediately after each annual meeting of the members, the Board shall hold a general meeting for purposes of organization, election of officers, and transaction of other business. Notice of this meeting is not required. Other regular meetings of the Board may be held without notice at such time and place as the Board may fix from time to time. The Board shall hold at least four regular meetings each year.

Section 3. Special Meetings of the Board; Notice. Special meetings of the Board for any purpose may be called at any time by the President, or any three (3) Directors. Notice of the time and place of special meetings shall be given to each Director by: (a) personal delivery of written notice; (b) first class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the Director or to a responsible person at the Director's office or home who would reasonably be expected to communicate that notice promptly to the Director; (d) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the Director's address, including email address, or telephone number as shown on the Corporation's records. Notices sent by first class mail shall be deposited in the United States mail at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile, or electronic mail shall be delivered, telephoned, faxed or emailed, respectively, at least forty eight (48) hours before the time set for the meeting. The notice shall state the time of the meeting and the place, if the place is other than the corporation's principal office. The notice need not specify the purpose of the meeting.

Section 4. Quorum for Board Meetings. A majority of the authorized number of Directors shall constitute a quorum for the transaction of any business except adjournment. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 5. Participation in Board Meetings by Telephone or Other Telecommunications Equipment. Any board meeting may be held by conference telephone call, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if all of the following apply: (a) each member participating in the meeting can communicate concurrently with all other members; (b) each member is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation; and (c) the Board has adopted and implemented a means of verifying both of the following: (i) a person participating in the meeting is a Director or other person entitled to participate in the Board meeting; and (ii) all actions of or votes by the Board are taken or cast only by the Directors and not by persons who are not Directors.

Section 6. Waiver of Notice of Board Meetings. Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him.

Section 7. Adjournment of Board Meetings. A majority of the Directors present, whether or not a quorum is present, may adjourn any Board meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty four (24) hours. If the original meeting is adjourned for more than twenty four (24) hours, notice of any adjournment to another time or place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 8. Action Without a Board Meeting. Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to the action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

ARTICLE IX - MEMBERSHIP

Section 1. Class and Qualifications. The Corporation shall have one (1) class of members (also at times referred to as a “membership” or “memberships”). The total number of memberships shall not exceed two hundred seventy five (275). Any person dedicated to the purposes of the Corporation and residing within such geographical boundaries as the Board may establish, shall be eligible for membership on approval of a membership application by the Board and upon timely payment of such dues and fees as the Board

may fix from time to time. A single qualified individual may become a member. A “family membership” is a single membership owned jointly and indivisibly by husband and wife, domestic partners, or unmarried persons or partners residing together within a qualified residence, and all the rights and benefits of a membership shall accrue only to such persons and their children, if any.

Section 2. Voting Rights. Each membership shall have the right to cast one (1) 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, the members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law.

Section 3. Initial Membership Fee. An initial membership fee shall be established once each year by the Board of Directors.

Section 4. Membership In Good Standing. 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 5. Membership Transfers.

(a) **No Involuntary Transfer of Membership.** A membership shall not be subject to attachment and shall not be an asset of the debtor’s estate in the event a member files a bankruptcy petition or an assignment for the benefit of creditors. Upon the occurrence of any of the foregoing events or any other similar involuntary transfer, the membership shall automatically revert to the Corporation, and the former member, his heirs, successors and assigns, shall have no right, title, or interest therein. In such event, the Corporation shall, at such time as it reissues the affected membership, reimburse the former member an amount equal to the Corporation’s then-current price for a new membership, less any delinquent dues, fees or assessments.

(b) **Corporation’s Option to Acquire Membership.** Except as expressly otherwise provided in this Article IX, Section 5, no membership shall be sold until it has first been offered for sale to the Corporation at a price to be determined by the Board of Directors. The Corporation shall have a thirty (30) day option to acquire such membership, at the specified price, commencing upon receipt by the Board of written notification of the intended sale. Should the Corporation fail to exercise said option within said thirty (30) day period, the member shall be free to sell his membership to any qualified person, subject to the approval of the Board of Directors.

(c) **Transfer of Membership with Member’s Residence.** In the event a Regular member sells his house which lies within the applicable geographical boundaries, he may sell his Regular membership in the Corporation directly to the purchaser of the house, subject to the approval of the Board of Directors.

(d) **Transfer Fee.** The Corporation shall have the right to require each member, as a condition to the purchase and resale of his/her membership, to pay a reasonable transfer fee to be fixed from time to time by the Board of Directors.

- (e) **Transfer Upon Death.** Upon the death of a member, his/her membership shall automatically revert to the Corporation and shall not become an asset of the decedent's estate. Nevertheless, the Corporation shall pay to the legal representative of the deceased, at such time as the Corporation reissues the membership, an amount as determined by the Board of Directors. In the case of a membership owned jointly and indivisibly as set forth in Section 1 of this Article IX, the death of either co-owning member shall not prejudice the ownership by the surviving member, nor shall the death of both prejudice the ownership of the membership by any surviving children as long as one or more of them owns the real property to which the membership was designated.
- (f) **Waiting List.** The Membership Director will maintain a waiting list of applicants for membership. The priority on the waiting list will normally be established by the date of application unless otherwise directed by the Board of Directors. Applicants on the waiting list shall not be entitled to use the Corporation's facilities.
- (g) **Dues.** A member (including any member who has resigned or whose membership has been terminated as specified in Article XIII, Section 2, below) shall continue to pay dues until the actual date of transfer of a Membership in accordance with this Section 5, subject to a proration for any partial calendar year.

ARTICLE X - DUES, FEES AND ASSESSMENTS

Section 1. Annual Dues, Fees and Assessments. Subject to the provisions of these Bylaws, annual or monthly dues, initial membership fees, and assessments shall be established by the Board of Directors.

Section 2. Payment Dates. Each member shall pay dues, fees and assessments within the time and on the conditions set by the Board. The Board may establish penalties for late payment of dues and assessments, and memberships may be terminated in the event of nonpayment of dues and assessments as set forth in these Bylaws.

Section 3. Vote on Dues, Fees and Assessments. Dues, fees and assessments established by the Board may be adjusted in accordance with the provisions of these Bylaws, but only by a majority vote of at least two thirds (2/3) of a quorum of members at a membership meeting as specified in Article VII, Section 7, of these Bylaws.

ARTICLE XI - USE PRIVILEGES

The Board of Directors shall establish rules governing the participation and use of facilities by members. The Board shall also determine whether or not guests of members may use the Corporation's facilities and shall establish rules pertaining thereto. The use and operation of the Corporation's facilities shall comply with all requirements of the City of Lafayette, including, without limitation, the City of Lafayette's Mitigated Negative Declaration dated November 16, 2007, and any subsequent amendments thereto.

ARTICLE XII - CERTIFICATES OF MEMBERSHIP

Section 1. Certificate. Each membership shall be evidenced by a certificate bearing the signatures of the President and Secretary/Communications Director and carrying the corporate seal of the Corporation.

Section 2. Certificate Legends. The statements and conditions contained on the certificate of membership as approved by the Board of Directors are now and hereafter considered a part of these Bylaws.

ARTICLE XIII - MEMBERSHIP SUSPENSION, TERMINATION AND EXPULSION

Section 1. Suspension of Membership. A member may be suspended based on the good faith determination by the Board, or a committee of the Board or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the Corporation's rules of conduct, or has engaged in conduct materially and seriously prejudicial to the Corporation's purposes and interests. A person whose membership is suspended shall not be a member during the period of suspension.

Section 2. Termination of Membership. A membership shall terminate upon the occurrence of any of the following events:

- (a) Resignation of the member (provided, however, any such member who has resigned shall continue to pay dues in accordance with the provisions of Article IX, Section 5(g) above);
- (b) The member's failure to pay dues, fees and/or assessments set by the Board for a period of thirty (30) days and thereafter fails to pay said dues, fees and/or assessments within ten (10) days of the date of a written demand from the Corporation to the member that the member cure said delinquency;
- (c) Any event that renders the member ineligible for membership, or failure to satisfy membership qualifications; or
- (d) Termination of membership and expulsion of the member pursuant to Section 3 of this Article XIII based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the Corporation's purposes and interests.

Section 3. Procedure For Suspension, Termination or Expulsion of a Member. If grounds appear to exist for suspending or terminating and expelling a member under this Article XIII, the following procedure shall be followed:

- (a) The Board shall give the member at least fifteen (15) days' prior notice of the proposed suspension, termination or expulsion and the reasons for the proposed suspension, termination or expulsion. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first class or registered mail to the member's last address as shown on the Corporation's records.
- (b) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed suspension or termination. The hearing shall be held, or the written statement considered by the Board or by a committee of the Board or person authorized by the Board to determine whether the suspension, termination or expulsion should occur.

- (c) The Board or Board authorized committee or person shall decide whether the member should be suspended, terminated or expelled, or sanctioned in any way. The decision of the Board or Board authorized committee, or person shall be final.
- (d) Any action challenging a suspension, termination or expulsion of a membership, including a claim alleging defective notice, must be commenced within one (1) year after the effective date of the suspension, termination or expulsion.

Section 4. Payment To Member After Termination. In the event a membership is terminated under this Article XIII, the terminated member shall, at such time as the Corporation reissues the terminated membership, receive an amount as determined by the Board of Directors.

Section 5. Attorneys' Fees and Costs. The Corporation may collect all dues, fees and assessments, and any other indebtedness of a member to the Corporation, by filing an appropriate action at law at any time after any of the foregoing becomes due and payable. In any action by the Corporation to collect dues, fees, assessments or other indebtedness from a member, or in an action by the Corporation to recover losses or damages incurred or suffered by the Corporation as a result of a member's conduct, the prevailing party shall be entitled to recover an award of its reasonable attorneys' fees and costs incurred in such action.

ARTICLE XIV - SEAL

Section 1. Seal. The Corporate seal of the Corporation shall consist of a circle having on its circumference the corporate name of the corporation as set forth in Article I and in the center thereof, the word "California" and the date of incorporation as indicated on the Articles of Incorporation.

Section 2. Use of Seal. The Seal shall be affixed to all the Corporation's conveyances and other contracts, and all membership certificates.

ARTICLE XV - DISSOLUTION

Section 1. Disposition of Assets. In the event of dissolution of the Corporation, the members of record at the time a certificate evidencing the Corporation's election to dissolve is filed with the Secretary of State or, if no such election is made, at the time an order for winding up and dissolution of the Corporation is entered, shall receive a pro rata distribution of the assets of the Corporation in accordance with the California Nonprofit Mutual Benefit Corporation which remain after: (a) return of those assets held upon a valid condition requiring return, transfer, or conveyance, which condition had occurred or will occur; (b) disposition of those assets held in a charitable trust in compliance with the provisions of any trust under which such assets are held; and (c) payment, or adequate provision for payment, of all taxes, penalties, debts, and liabilities of the Corporation or any other payment required under applicable law.

Section 2. Dissolution Procedures. Should the Corporation dispose of all its properties and assets, then the Corporation shall be dissolved under the applicable General Corporation Laws of the State of California.

ARTICLE XVI - AMENDMENTS

All amendments, additions, or repeal of these Bylaws shall be approved by a vote of two thirds (2/3) of the members present at any regular annual membership meeting or at a duly called special meeting where a quorum initially exists. A motion for said amendment, addition, or repeal of these Bylaws may not be voted upon by the membership unless written notice of the proposed amendments is given by the Board to the membership at least twenty (20), but not more than ninety (90) days prior to the meeting at which the vote is to occur.

ARTICLE XVII - INDEMNIFICATION

Section 1. Definitions. For the purposes of this Article XVII, “agent” means any person who is or was a Director, officer, employee, or other agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, or was a Director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation; “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” includes without limitation attorneys’ fees and any expenses of establishing a right to indemnification under Section 4 or 5(c) of this Article XVII.

Section 2. Indemnification in Actions by Third Parties. The Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of Part 2 (commencing with Section 5110) of the California Nonprofit Public Benefit Corporation Law, made applicable pursuant to Section 7238, or brought by the Attorney General or a person granted relator status 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 the Corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person’s conduct was unlawful.

Section 3. Indemnification if Actions by or in the Right of the Corporation. The Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the Corporation, or brought under Section 5233 of Part 2 (commencing with Section 5110) of the California Nonprofit Public Benefit Corporation Law, made applicable pursuant to Section 7238, or an action brought by the Attorney General or a person granted relator status by the Attorney General, for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person

acted in good faith, in a manner such person believed to be in the best interests of the Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

- (a) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;
- (b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- (c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless such action concerns assets held in charitable trust and is settled with the approval of the Attorney General.

Section 4. Indemnification Against Expenses. To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article XVII or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 5. Required Determinations. Except as provided in Section 4 of this Article XVII, any indemnification under this Article XVII shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 2 or 3 of this Article XVII, by:

- (a) A majority vote of a quorum consisting of Directors who are not parties to such proceeding;
- (b) Approval of the members (Section 5034) with the persons to be indemnified not being entitled to vote thereon; or
- (c) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by the Corporation.

Section 6. Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of any undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article XVII. The provisions of subdivision (a) of Section 7235 do not apply to advances made pursuant to this Section.

Section 7. Other Indemnification. No provision made by the Corporation to indemnify its or its subsidiary's Directors or officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of members or Directors, an agreement, or otherwise, shall be valid unless consistent with this Article XVII. Nothing contained in this Article XVII shall affect any right to indemnification to which persons other than such Directors and officers may be entitled by contract or otherwise.

Section 8. Forms of Indemnification Not Permitted. No indemnification or advance shall be made under this Article XVII, except as provided in Section 4 or 5(b), in any circumstance where it appears:

- (a) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws, a resolution of the members or any 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 indemnification; or
- (b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9. Insurance. The Corporation shall have power to purchase and maintain insurance to the fullest extent permitted by law on behalf of its officers, Directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, Director, employee or agent in such capacity or arising from the officer's, Director's, employee's or 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 this Article XVII.

ARTICLE XVIII - GENERAL PROVISIONS

Section 1. Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction, and definitions of the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular, and the term "person" includes both a legal entity and a natural person.