

**BYLAWS OF
NORTHERN CALIFORNIA WALKING HORSE ASSOCIATION
A Mutual Benefit Association**

**ARTICLE I
PRINCIPAL OFFICE**

1.1 Principal Office. The principal office of the Northern California Walking Horse Association is located at 16904 McCourtney Road, Grass Valley, CA 95949.

1.2. Change of Address. The Board (as that term is defined in Section 5.1.1 of these Bylaws) is hereby granted full power and authority to change the location of the principal office of the Association. Any such change shall be noted by the Secretary in these Bylaws, but shall not be considered an amendment of these Bylaws.

**ARTICLE II
PURPOSE**

The purpose of this Association shall be to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under California law and the California Corporations Code, as amended (the "Code"). The specific purpose of the Association is to promote the Tennessee Walking Horse.

**ARTICLE III
MEMBERS**

3.1. Classification and Qualifications of Members. The Association shall have three (3) classes of members as follows: Single Members, Family Members and Junior members. Irrespective of the class within which a member falls, such member shall not have engaged in any act in violation of the Horse Protection Act, or any similar law, rule, or regulation governing conduct towards horses, within the thirty-six (36) month period immediately preceding such member's application for membership, except as otherwise provided for in Section 3.3 of these Bylaws. No person shall hold more than one membership.

3.2 Provisional Status. Any existing member in violation of the Horse Protection Act, or any similar law, rule, or regulation governing conduct towards horses, within a rolling forward thirty-six (36) period the last three years will not be permitted to vote or to hold office until thirty-six (36) months have elapsed since the violation. Such person's membership will be considered provisional during such thirty-six (36) month period, provided such person remains in good standing by payment of the membership dues required under Section 3.5 of these Bylaws.

3.3 Eligibility for Membership. Any person making proper application for membership and submitting payment for the current year's dues shall be admitted to membership. Persons eighteen (18) years or over are eligible for Single or Family membership. Persons under eighteen (18) are eligible for Junior membership. Couples and their dependent children under 18 as of

January 1 are eligible for Family membership. Notwithstanding anything to the contrary in these Bylaws, any person in violation of the Horse Protection Act, or any similar law, rule, or regulation governing conduct towards horses, may only be considered for membership subject to Section to 3.2 of these Bylaws.

3.4 Membership Dues. The amount of membership dues and the time or times of payment may be determined and fixed by resolution of the Board and shall be effective upon ratification by a majority of all members eligible to vote. The membership dues payable to the Association for the admission calendar year by newly admitted members shall not be prorated.

3.5 Membership Book. The Association shall keep in any form capable of being converted in written form a membership book containing the name, address, and class of each member. The book also shall contain the fact of termination and the date on which such membership ceased. Such book shall be kept at the principal office of the Association and shall be subject to the rights of inspection required by law and as set forth in Section 3.7 of these Bylaws.

3.6 Inspection Rights of Members.

3.6.1 The accounting books and records and minutes of proceedings of the members, the Board, and committees of the Board shall be open to inspection upon written demand on the Association of any member at any reasonable time, for a purpose reasonably related to such person's interests as a member.

3.6.2 Inspection pursuant to this Section 3.6 of these Bylaws by a member may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts at such member's sole expense and cost.

3.6.3 If any record subject to inspection pursuant to this Section 3.6 of these Bylaws is not maintained in written form, the Association shall at its expense make such record available in written form.

3.6.4 Notwithstanding the foregoing, the right of a member to inspect and copy or obtain a copy of the list of names and addresses of members is as prescribed by Sections 6330 through 6338, inclusive, of the Code.

3.7 Certificates of Membership. The Association may issue membership certificates to members evidencing membership in the Association which shall be in such form as may be determined by the Board. Such certificates shall be signed by the Treasurer or Assistant-Treasurer, or other officer authorized to do so by the Board. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the Association. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefore upon such terms and conditions as the Board may determine.

3.9 Nonliability of Members. A member of the Association shall not solely because of such membership be personally liable for the debts, obligations, or liabilities of the Association.

3.10 Transferability of Membership. Neither the membership in the Association nor any rights in the membership may be transferred or assigned for value or otherwise.

3.11 Termination and Suspension of Membership.

3.11.1 The membership and all rights of membership automatically shall terminate on the occurrence of any of the following:

(A) Death.

(B) The voluntary resignation of a member, effective as of the date notice of such resignation is either personally hand delivered to the President or Secretary of the Association or deposited in United States first-class mail, postage prepaid.

(C) The membership, by affirmative vote of sixty-six and two - thirds percent (66%) of the members present at a regular meeting at which a quorum is present, votes to expel the member from membership for nonpayment of the member's financial obligations to the Association within thirty-one (31) days of the due date therefore, or for conduct as a member which is seriously detrimental to the best interests of the Association including, but not limited to, violations of the Horse Protection Act, or any similar law, rule, or regulation governing conduct towards horses, except that:

(1) Expulsion must be by action of the membership and the membership may not delegate this authority to a committee, officer, or other body.

(2) Written notice of the proposed expulsion, together with a statement of the reasons there for and a copy of this Section 3.11 of these Bylaws shall be sent by first class mail, postage prepaid, to the member's last address on the records of the Association.

(3) Within fifteen (15) days after the mailing of the notice, the member may, in writing, request a hearing on the expulsion.

(4) If a hearing is requested, the membership shall appoint a hearing committee composed of three members. The member may appear before the hearing committee, which thereupon shall either confirm or reject the expulsion. The decision of the hearing committee, upon ratification by the membership, shall be final and binding on all persons.

(5) If no hearing is requested, then the expulsion shall become effective fifteen (15) days after mailing of the notice. If a hearing is requested, then the expulsion shall become effective five (5) days after the decision of the hearing committee, in accordance with clause (C)(4) of Section 3.11.1 of these Bylaws.

3.11.2 The membership and all rights of membership automatically shall be suspended (i) upon presentment of a dishonored check until satisfied with cash, money order, or certified check for the amount and bank or other charges, or (ii) in accordance with clause (C) of Section 3.11.1 of these Bylaws; and for purposes hereof, the term "suspension" (and derivatives thereof) shall be inserted therein in lieu of the terms "termination" and "expulsion" (and derivatives thereof), as the case may be.

3.11.3 Termination or suspension of membership shall not relieve the affected member from any

obligation for charges incurred, services or benefits actually rendered, dues, assessments, or fees, arising from contract or otherwise prior to such effective date of resignation, and shall not diminish any right of the Association to enforce any such obligation or obtain damages for its breach.

3.11.4 Upon written request filed with the Secretary and signed by a member terminated or suspended for cause, the membership, by affirmative vote of a majority of all members eligible to vote, may reinstate such terminated or suspended member upon such terms and conditions as the voting membership may deem appropriate.

ARTICLE IV MEETINGS OF MEMBERS

4.1 Place. Meetings of members shall be held at the principal office of the Association or at such location within the State of California as may be designated from time to time by resolution of the Board.

4.2 Annual and Regular Meetings. The members shall meet at least once each year ("Annual Meeting") to elect new directors and officers and to present such newly-elected directors and officers. Any other proper business may be transacted at the Annual Meeting or regular meetings of members.

4.2.2 Order of Business to be Conducted at Annual Meetings. The order of business to be conducted at Annual Meetings shall be as follows:

election of directors and officers and presentation of newly elected directors and officers; other business; and adjournment.

4.3 Special Meetings. Special meetings of the members may be called for any lawful purpose by or at the request of the Board or not less than ten percent (10%) of the voting members

4.4 Notice of Meetings.

4.4.1 Written or printed notice of regular and special meetings shall be given not less than three (3) days nor more than thirty (30) days prior to the meeting to each member of the Association. Such notice shall state the place, date and hour of the meeting, and (I) in the case of a special meeting, the general nature of business to be transacted, and no other business may be transacted, or (ii) in the case of the Annual Meeting, those matters which the Board, at the time of the mailing of the notice, intends to present for action by the members. The notice of any meeting at which Directors and officers are to be elected, or at which members are to be admitted, shall include the names of the nominees.

4.4.2 Notice of any meeting, written ballot, or report shall be given either personally, by first-class United States mail, postage prepaid, or other means of written communication, addressed to the member at the address of such member appearing on the books of the Association or given by the member to the Association for the purpose of notice; or if no such address appears or is given, at the place where the principal office of the Association is located. The notice, written

ballot, or report shall be deemed to have been given at the time when delivered personally, deposited in the mail, or otherwise sent, as the case may be. An affidavit of mailing of any notice, written ballot, or report in accordance with the provisions of this Section 4.4.2 of these Bylaws, executed by the Secretary, shall be evidence of the giving of the notice, written ballot, or report.

4.4.3 Except as otherwise prescribed by the Board in particular instances and except as otherwise provided by applicable law, the Secretary shall prepare and give, or cause to be prepared and given, the notice of meetings and the written ballots.

4.5 Waivers; Consents; and Approvals. The transactions of any meeting, however called and noticed, and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum is present, and if, either before or after the meeting, each of the members entitled to vote but not present in person signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents, and approvals shall be made a part of the minutes of the meeting.

4.6 Quorum.

4.6.1 A quorum at any meeting shall consist of twenty percent (20%) of the members entitled to vote, present in person.

4.6.2 Except where a greater vote is required by the Articles of Incorporation, these Bylaws, or applicable law, and except for the election of directors or officers or the admittance of members, if a quorum is present, the affirmative vote of the members present representing not less than fifty-one percent (51 %) members present and entitled to vote shall be the act of the members. No proxies shall be allowed.

4.6.3 The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjournment) is approved pursuant to Section 4.6.2 of these Bylaws.

4.6.4 In the absence of a quorum, any meeting of members may be adjourned from time to time by the vote of a majority of the members present, but no other business may be transacted, except as provided in Section 4.6.3 of these Bylaws.

4.6.5 When a meeting is adjourned to another time or place, except as otherwise provided by this Section 4.6.5 of these Bylaws, notice need not be given of the adjourned meeting if the time and place thereof is announced at the meeting at which the adjournment is taken. The meeting shall not be adjourned for more than 45 days. At the adjourned meeting the Association may transact any business which might have been transacted at the original meeting. If after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting.

4.7 Voting of Membership.

4.7.1 Each Single Membership is entitled to one (1) vote and each Family Membership is entitled to two (2) votes on each matter submitted to a vote of the members. Junior Memberships are not entitled to vote on any matter submitted to a vote of the members.

4.7.2 The Board shall fix, in advance, a date as the record date for the purposes of determining the members entitled to notice pursuant to Section 3.4 of these Bylaws and to vote on any matter submitted to a vote of the members. Such former record date shall not be more than ninety (90) nor less than ten (10) days before the date of the meeting. Such latter record date shall not be more than sixty (60) days before the date of the meeting. The Board also shall fix, in advance, a date as the record date for the purpose of determining the members entitled to exercise any rights in respect of any lawful action. Such record date shall not be more than sixty (60) days prior to such other action.

4.7.3 Cumulative voting shall not be authorized for any purposes.

4.7.4 Proxies are permitted.

4.7.5 Votes received after counting of votes has commenced shall not be considered.

4.8 Written Ballot of Members.

4.8.1 Whenever the members are to vote on any proposal for action which could be taken at the Annual Meeting or any regular or special meetings of members, the members may, in the discretion of the Board (unless a specific method of voting is prescribed by these Bylaws), vote by written ballot by a special envelope without a meeting pursuant to this Section 3.8 of these Bylaws.

4.8.2 A written ballot shall be mailed to every member entitled to vote on the matter pursuant to Section 4.4.2 of these Bylaws.

4.8.3 The written ballot shall set forth the time by which the ballot must be received in order to be counted and the minimum number of written ballots which must be returned to meet the quorum requirement.

4.8.4 If the vote is for other than membership applicants, then the written ballot shall set forth:

(A) The proposal to be voted on, and for this purpose related proposals may be grouped as a single proposal for the written ballot.

(B) Offer the member a choice between approval and disapproval on each such proposal.

(C) Specify that the proposal must be approved by a majority of the written ballots voting on the proposal, provided that sufficient written ballots are returned to meet the quorum requirement.

(D) The special envelopes shall consist of an outer envelope for mailing and an inner envelope in which the completed ballot is placed. The inner envelope is placed into the outer

mailing envelope. The member signs across the flap of the outer envelope. The entire package is then returned by mail or in person at or before the annual meeting.

4.8.5 Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

4.8.6 A written ballot may not be revoked.

4.9 Election Balloting Procedures.

4.9.1 Ballot. An official ballot shall be prepared so as to include the nominating committee's slate, candidates nominated from the floor, and provision for write-in candidates.

4.9.2 Mailing. The official ballot shall be mailed to all voting members in good standing who are on record as of October 31 st, and must be returned by mail or in person in the special envelope provided prior to the commencement of the annual meeting.

4.9.3 Special Envelopes. The special envelopes shall consist of an outer envelope for mailing and an inner envelope into which the completed ballot is placed. The inner envelope is placed into the outer mailing envelope. The members signs across the flap of the outer envelope. The entire package is then returned by mail or in person at or before the annual meeting.

4.9.4 Counting and Results. At the annual meeting, after verifying the member is qualified to vote, the inner envelope with the ballot enclosed is placed in the ballot box for counting by the election personnel. Results shall be announced at the meeting. Ballots received after counting has commenced shall not be considered.

4.10 Unanimous Written Consent of Members. Any action required or permitted to be taken by the members may be taken without a meeting if all members entitled to vote shall consent in writing to the action. The written consent or consents shall be filed with the minutes of the proceedings of the members. The action by written consent shall have the same force and effect as the unanimous vote of the members.

4.11 Conduct of Membership Meetings.

4.11.1 The President of the Association or, in his or her absence, any other person chosen by a majority of the voting members present in person shall be Chairperson of and shall preside over the meetings.

4.11.2 The Secretary of the Association shall act as the Secretary of all meetings; provided that in his or her absence, the Chairperson shall appoint another person to act as secretary of the meetings.

4.11.3 The Robert's Rules of Order, as may be amended from time to time, shall govern the meetings of members insofar as such rules are not inconsistent with or in conflict with these Bylaws or the Articles of Incorporation of this Association.

ARTICLE V DIRECTORS

5.1 Number of Directors. The initial number of directors of the Association shall consist of four (4) persons. Thereafter, the number of directors may be fixed from time to time by action of the members or the Board of Directors, provided that any action by the Board of Directors to effect an increase or decrease in the number of directors shall require the vote of a majority of the entire Board of Directors. No decrease shall shorten the term of any director then in office.

5.2 Nomination; Election; and Term.

5.2.1 Only Single Members and Family Members in good standing and whose membership dues and assessments are fully paid may be nominated to be a Director. The first Board of Directors shall consist of those persons designated by the Incorporator of the Association, and they shall hold office until the first meeting of members and until their successors have been duly elected and qualified. Thereafter, directors shall hold office until the expiration of the term for which he or she was elected and until his or her successor has been duly elected and qualified.

5.2.2 Directors shall be elected at either the Annual Meeting or by written ballot as authorized by Section 4.8 of these Bylaws. The candidates receiving the highest number of votes up to the number of Directors to be elected are elected. Directors shall be eligible for reelection without limitation on the number of terms they may serve.

5.2.3 Directors are elected for a term of one (1) year, or until their successors have been duly elected and qualified. A vacancy occurring in the office of Director may be filled by the Board for the balance of the unexpired term and until a successor has been elected and qualified.

5.3 Vacancies on Board. A vacancy or vacancies on the Board shall exist on the occurrence of the following:

(A) The death, disqualification, resignation, suspension, or expulsion, or termination of any Director;

(B) The declaration by resolution of the Board of a vacancy in the office of a Director who has been declared of unsound mind by an order of court, convicted of a felony, or found by final order of judgment of any court to have breached a duty under Article 3 of Chapter 2 of the CODE; or

(C) The increase of the authorized number of Directors.

5.4 Resignations of Directors. Except as provided in these Bylaws, any Director may resign by giving written notice to the President or the Secretary. The resignation shall be effective when

the notice is given unless it specifies a later time for the resignation to become effective.

5.5 Removal of Director. Any Director may be removed by a majority vote of the membership whenever in its judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the Director so removed.

5.6 Meetings of the Board.

5.6.1 Meetings of the Board shall be held at the principal office of the Association, unless another place is stated in the notice of the meeting.

5.6.2 Regular meetings of the Board shall be held, if so provided in a resolution adopted by the Board, at the time and place specified in such resolution. Otherwise, a regular annual meeting of the Board shall be held, without notice otherwise required by these Bylaws, immediately after and at the same place as the Annual Meeting of the members to conduct such business as may come before it. There shall be no fewer than four Board meetings in each calendar year. Regular Board meetings shall be open to all members, provided that the Board may declare a closed meeting to deal with protests or other confidential matters.

5.6.3 A special meeting of the Board may be called by the President or any two Directors.

5.6.4 Notice of all special meetings of the Board shall be given either personally, telephonically, or by mail or facsimile to each Board member not less than three (3) days nor more than fifteen (15) days before the date of any such meeting by or at the discretion of the Secretary. The notice shall state the purpose or purposes for which the special meeting is called, and no other business may be conducted thereat. Notwithstanding anything herein to the contrary, the President may telephone members of the Board to call a meeting in extreme urgent situations without regard to the three (3) day requirement.

5.6.5 Notwithstanding anything herein to the contrary, notice of a meeting need not be given to any Director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Director. All such waivers, consents and approvals shall be made a part of the minutes of the meeting.

5.6.6 Notwithstanding anything in this Section 5.6 of these Bylaws to the contrary, one or all of the Directors may participate in a meeting through use of conference telephone or similar communications equipment, so long as all such Directors participating in such meeting can hear one another. Participation in a meeting by this means constitutes presence in person at such meeting. Minutes of a meeting conducted by telephone shall be taken and kept in the minute book of the Association.

5.6.7 Except as otherwise required by the Articles of Incorporation or the Code, a majority of the Directors shall constitute a quorum for the transaction of business.

5.7 Required Vote of Directors.

5.7.1 Every act or decision done or made by a majority of the Directors present at a meeting duly held at which quorum is present is the act of the Board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

5.7.2 Notwithstanding Section 5.7.1 of these Bylaws, the following matters require the affirmative approval of a majority of the authorized number of Directors: adoption, amendment, or repeal of these Bylaws.

5.8 Written Consent of Directors. Any action required, or permitted to be taken by the Board may be taken without a meeting, if all Directors individually or collectively shall consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors. All members of the Board, as used in this Bylaw does not include any "interested director" as defined in Section 5233 of the California Associations Code.

5.9 Compensation of Directors. Directors shall receive no compensation for their services. However, they shall be entitled to receive such just and reasonable reimbursement of expenses as may be determined by the Board.

5.10 Inspection Rights of Directors. Every Director shall have the absolute right to any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Association during normal weekday business hours. If a Director wishes to be accompanied by an attorney during such inspection, then the inspection will be scheduled at a time when the Association's attorney will be present.

5.11 Interested Persons. Not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons.

5.11.1 As used in this section, an "interested person" means either:

(A) Any person currently being compensated by the Association for services rendered to it within the previous twelve (12) months, whether as a full- or part-time employee, independent contractor, or otherwise; or

(B) Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

5.11.2 The provisions of this Section 5.10 of these Bylaws shall not affect the validity or enforceability of any transaction entered into by the Association.

5.12 General Powers. The affairs of the Association shall be managed by the Board to the extent consistent with the Articles of Incorporation, these Bylaws, and applicable law, otherwise subject to ratification of the voting members.

ARTICLE VI

OFFICERS

6.1 Number and Titles. The officers of the Association shall be a President, the Vice President, a Secretary, a Treasurer, and such other officers with such titles and such duties as shall be determined and deemed advisable by the Board. The Board may by resolution authorize one or more Assistants to such officers to perform some or all of the duties of such officer under the officer's direction.

6.1.1 The President shall be the principal executive officer of the Association and shall supervise and control all of its business and affairs. The President may sign with the Secretary or other proper officers of the Association authorized by the voting membership, any deeds, mortgages, bonds, contracts, or other instruments which the voting membership or Board has authorized to be execute, except where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws or by Statute as may be required. The President shall preside at all meetings of the Board. The President if authorized by a majority of the Board or of the members eligible to vote, is authorized to sign all contracts, and other papers, documents and instruments in writing in the name of the Association.

6.1.2 The Vice President shall report to the President. The Vice President, in the absence of the President or in the event of the President's inability or refusal to act, shall have all the powers of and be subject to all restrictions upon the President. The Vice President shall perform such other duties ordered by the Board and shall chair one of the committees.

6.1.3 The Secretary shall sign in the name of the Association all documents authorized or required to be signed by the Secretary. The Secretary shall handle Association correspondence including issuing membership cards, Bylaws, membership list, and rules and regulations to members. The Secretary shall keep the minutes of all meetings of the Association and shall be ex-officio secretary of all committees. The Secretary shall ensure that all such minutes are inserted in the minute book of the Association in accordance with these Bylaws.

6.1.5 The Treasurer is the chief financial officer of the Association, and, where appropriate, may be designated by the alternate title "Chief Financial Officer". The Treasurer is responsible for the receipt, maintenance, and disbursement of all funds of the Association and for the safekeeping of all securities of the Association. The Treasurer shall provide a financial report at every meeting. The Treasurer shall be responsible for collecting membership fees. The Treasurer shall keep or cause to be kept books and records of account and records of all properties of the Association. The Treasurer shall prepare or cause to be prepared annually, or more often if so directed by the Board or President financial statements of the Association.

6.2 Appointment Removal and Term of Officers.

6.2.1 All officers shall be elected by the voting membership at the Annual Meeting. Ballots for election of officers shall be mailed to the voting membership no later than thirty (30) days prior to the Annual Meeting. Vacancies in office may be filled by the Board for the remainder of the unexpired portion of the term.

6.2.2 Any officer may resign at any time upon written notice to the Association without prejudice to the rights, if any, of the Association. Such resignation is effective upon receipt of the written notice by the Association unless the notice prescribes a later effective date or unless the notice prescribes a condition to the effectiveness of the resignation.

6.2.3 Officers shall hold office for one year, but may be re-elected.

ARTICLE VII

INDEMNIFICATION

7.1 Indemnification of Directors, Officers and Employees.

7.1.1 The Association may indemnify a Director, officer, or employee under the provisions of Section 5238 of the CODE, or pursuant to any contract entered into with any employee who is not an officer or Director.

7.1.2 Expenses incurred in defending any proceeding may be advanced by the Association as authorized in Section 5238 of the CODE prior to the final disposition of such proceeding, upon receipt of an undertaking by or on behalf of the Director, officer, or employee to repay such amount unless it shall be determined ultimately that the Director, officer, or employee is entitled to be indemnified.

7.1.3 The Association may purchase and maintain insurance on behalf of any Director, officer, or employee of the Association against any liability asserted against or incurred by the Director, officer, or employee in such capacity or arising out of the Director's officer's, or employee's status as such, whether or not the Association would have the power to indemnify the Director, officer, or employee against such liability under the provisions of Section 5238 of the CODE, except as provided in subdivision (I) of Section 5238 of the CODE.

ARTICLE VIII COMMITTEES

8.1 Committees. Committees not having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in Section 8.3 of these Bylaws, the President shall appoint all members to any committee formed pursuant to this Article 8 of these Bylaws. Committee members may be removed by the person or persons authorized to appoint such member whenever in his or her judgment such removal serves the best interest of the Association.

8.2 Term of Office. Each member of a committee shall continue as such until the Annual Meeting and until his or her successor is appointed, unless (i) the committee sooner shall have been terminated, (ii) such member sooner shall have been removed from such committee, or (iii)

such member shall have ceased to be a member of the Association.

ARTICLE IX

AMENDMENT

9.1 Amendment of Articles. The amendment of the Articles of InAssociation of the Association is provided for by California state law and generally requires the approval of the Board and the voting membership pursuant to these Bylaws and the filing of a certificate of amendment in the Office of the Secretary of State.

9.2 Amendment of Bylaws. The amendment of Bylaws is provided for by California state law and generally requires the approval of the Board and the voting membership pursuant to these Bylaws. These Bylaws may be altered, amended or repealed and new by-laws may be adopted by a two-thirds vote of the general membership at any regular meeting called for that purpose, provided no less than fifteen (15) nor more than thirty (30) days written notice is given of intention to alter.

ARTICLE X

RECORDS

10.1 Minute Book. The Association shall keep or cause to be kept a minute book, which shall contain:

(A) The record of an meetings of the Board including date, place, those attending and the proceedings thereof, a copy of the notice of the meeting and when and how given, written waivers of notice of meeting, written consents to holding meeting, written approvals of minutes of meeting, and unanimous written consents to action of the Board without a meeting, and similarly as to meetings of committees of the Board established pursuant to the Bylaws and as to meetings or written consents of the incorporator of the Association prior to the appointment of the initial Directors.

(B) A copy of the Articles of Incorporation and all amendments thereof and a copy of all certificates filed with the Secretary of State.

(C) A copy of these Bylaws as amended duly certified by the Secretary.

ARTICLE XI

MISCELLANEOUS

11.2 Self Dealing. In the exercise of voting right by Directors, no Director shall vote on any issue, motion or resolution which directly or indirectly inures to his or her benefit financially, except that such Director may be counted in order to qualify a quorum and, except as the board may otherwise direct, participate in a discussion on such an issue, motion or resolution if he or she first discloses the nature of his or her interest subject to Section 5230 through and including Section 5239 of the Code.

11.3 Gifts and Donations. The Board may accept on behalf of the Association any contributions, gifts, bequests, or devises for the general purpose or for any special purpose of the Association not in violation of the Association's Articles of Incorporation.

11.4 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may select.

11.5 Contracts. Unless otherwise set forth in these Bylaws the Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

11.6 Checks; Drafts; etc. Except as otherwise set forth in these Bylaws, all checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by resolution of the Board.