

BYLAWS
OF
CALIFORNIA ALTERNATIVE INVESTMENTS ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

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BYLAWS

of

CALIFORNIA ALTERNATIVE INVESTMENTS ASSOCIATION (“CalALTs”)

A Nonprofit Mutual Benefit Corporation

(As Amended and Restated October 23, 2012; and Amended again April 24, 2014)

These Bylaws reflect the following amendments, approved by the board of directors of California Alternative Investments Association, a California Non-Profit Public Benefit Organization, on the dates indicated:

- On June 22, 2012, the board of directors amended Article III, Section 4 and Article III, Section 14 of the Bylaws; and
- On October 23, 2012, the board of directors amended Article III, Section 5 and Article XIII and also added Article III, Section 6, with the Sections that follow Article III, Section 6 renumbered accordingly.
- On October 24, 2012, the board of directors amended to make several changes from “hedge fund” to alternative investment” industry and manager respectively.
- On March 21, 2017, the board of directors changed the name of the organization from California Hedge Fund Association (CHFA) to the California Alternative Investments Association (CalALTs) and amended the bylaws accordingly.

ARTICLE I

Members

Section 1 Classes of Members. This corporation shall have one (1) class of non-voting members who are thus “members” within the meaning of the California Nonprofit Corporation Law (the “Law”) (presently Section 5056).

Section 2 Eligibility. All persons with an interest in the alternative investment industry are eligible for membership without regard to race, color, religion, sex or national origin. Upon completion of a membership application, or approval by the membership committee, and the payment of dues in accordance with Section 3 said person will be accepted as a member.

Section 3 Annual Dues. Annual dues, as shall be set from time to time by the membership committee and approved by the board of directors, shall be paid by each member as a requirement of membership. Despite the foregoing, the board may exempt a member from the requirement to pay annual dues. This corporation may issue the whole or any part of its membership as partly paid and subject to call for the remainder of the payment to be paid therefore. Unless the board exempts a member from payment of dues, failure to pay the required annual dues shall result in the revocation of membership.

Section 4 Multiple and Fractional Memberships. No person may hold more than one membership, and no fractional memberships may be held; provided, however, that if authorized by the board, two or more persons may have an indivisible interest in a single membership.

Section 5 Transfer of Memberships. Membership in this corporation, or any rights arising therefrom, is not transferable or assignable.

Section 6 Termination and Suspension of Membership. A member may resign his membership at any time by notifying the secretary. Resignation, however, shall not relieve the

resigning member from any obligation for charges incurred, services or benefits actually rendered, dues, assessments or fees, or arising from contract and shall not diminish any right of this corporation to enforce any such obligation or obtain damages for its breach.

A membership issued for a period of time shall expire when such period of time has elapsed unless the membership is renewed.

All rights of membership cease upon the member's death or dissolution.

The board of directors, acting in good faith and by a majority vote of all of the members of the board, may suspend, expel or terminate a member. The board shall give the member fifteen (15) days' prior notice of the expulsion, suspension or termination and the reasons therefor. Notice may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first-class or registered mail sent to the last address of the member shown on this corporation's records. The member shall have an opportunity in the manner specified in the notice to be heard orally or in writing, by a person or body authorized by the board to hear the voting member, not less than five (5) days before the expulsion, suspension or termination is effective.

ARTICLE II

Meetings of Members

Section 1 Regular Meetings. Regular meetings of members may be held as determined by the board. Regular meetings shall be held for the purpose of transacting business as may properly come before the meeting. If the day fixed for the regular meeting shall be a legal holiday in the State of California, such meeting shall be held on the next succeeding business day.

Section 2 Special Meetings. Special meetings of members may be called by the board or the president. In addition, special meetings of members for any lawful purpose may be called by a majority of the voting members of the board of directors. No business may be transacted at a special meeting unless the general nature of such business was stated in the notice to the special meeting. Informational and networking programs of the CalALTs shall be designated as Special Meetings.

Section 3 Place of Meeting. The board of directors may designate any place, either within or outside the State of California, as the place of meeting for any regular meeting or for any special meeting called by the board of directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the principal office of this corporation.

Section 4 Record Date. The board may fix, in advance, a date as the record date for the purpose of determining the members entitled to notice of any regular meeting of members. The record date of such regular meeting shall not be more than sixty (60) or less than ten (10) days before the date of the meeting. If no record date is fixed, members at the close of business on the business day preceding the day on which notice is given or, if notice is waived, at the close of business on the business day preceding the day on which the meeting is held are entitled to notice of a meeting of members. A determination of members entitled to notice of a meeting of members shall apply to any adjournment of the meeting unless the board fixes a new record date for the adjourned meeting. A Special Meeting of the members may be called by the Board upon notice provided in the invitation of such meeting. Members shall not be entitled to vote on any matter that comes before a meeting or otherwise. All matters transacted by CalALTs shall be done so by the Board of Directors or by its officers pursuant to properly delegated authority as provided for in Article III.

ARTICLE III

Board of Directors

Section 1 General Powers. Subject to the provisions of the Law and any limitation in the articles and bylaws of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the board. The board may delegate the management of the activities of this corporation to any person or persons, management company, or committee however composed, provided that the activities and affairs of this corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the board.

Section 2 Number of Directors. The board of directors shall consist of not less than five (5) nor more than fifteen (15) members.

The exact authorized number of directors shall be fixed from time to time, within the limits specified in this section or in the articles of incorporation, by the board of directors, or by a bylaw or amendment thereof duly adopted by the members of this corporation.

Subject to the foregoing provisions for changing the authorized number of directors, the authorized number of directors of this corporation shall be seven (7).

Section 3 Types of Directors. The number of directors shall be appointed in the following manner:

(a) Alternative Asset Managers - the board of directors shall be comprised of no less than four (4) and not more than eight (8) individuals that work directly for a hedge fund, fund of hedge funds, or other asset management firm that offers investment into: one or more private investment funds; separately managed accounts; or other investment products that are generally considered to be “alternative” or “liquid alternative” including, but not limited to,

investment vehicles registered pursuant to the Investment Company Act of 1940 and/or the Securities Act of 1933.

(b) Service Providers - the board of directors shall have no more than five (5) individuals in total that work from any of the following areas: legal, audit/accounting, prime brokerage services, fund administration, insurance, human resources, and information technology.

(c) At Large Seats - the board of directors may comprise of up to five (5) additional seats that may include any of the following types of individuals: family office representative, institutional investor, academic in the field of investing, finance or economics or additional individuals who qualify under either Article III, Section 3(a) or (b).

Section 4 Selection. The directors shall be elected by the board at a regular meeting of the board members or by written ballot or in any other manner authorized by law. Non-voting members shall not elect board members. In any election of directors by board members, the candidates receiving the highest number of votes are elected. Elections for directors need not be by ballot unless a board member demands election by ballot at the meeting and before the voting begins.

Each board member eligible to vote shall cast the number of votes held for each office of director to be filled without the right to cumulate votes.

By resolution, the board of directors shall authorize a nomination and selection committee which includes a reasonable means for board members and members to nominate persons for election as directors, a reasonable opportunity for a nominee to communicate to the board members the nominee's qualifications and the reasons for the nominee's candidacy, a

reasonable opportunity for all nominees to solicit votes, and a reasonable opportunity for all board members to choose among the nominees.

Section 5 Term. Each director is elected to serve terms as follows:

(a) Alternative Asset Managers - individuals that are representative of an alternative asset management firm shall serve no less than a two (2) year term as a board member and no more than a three (3) year term without the approval of two-thirds (2/3) of the board (excluding the Board member in question).

(b) Service Providers - individuals that represent the service provider side of the alternative asset management industry shall serve a two (2) year term when elected to the board and no more than a three (3) year term without the approval of two-thirds (2/3) of the board (excluding the board member in question).

(c) At Large Seats - Members serving in At Large Seats shall serve a two year term when elected to the board and no more than a three (3) year term without the approval of two-thirds (2/3) of the board (excluding the board member in question).

(d) Executive Committee – board members that serve on the Executive Committee shall serve no less than a two (2) year term on the Executive Committee and no more than a three (3) year term without the approval of two-thirds (2/3) of the board (excluding the board members in question).

Section 6 Chairman. At all meetings of the board of directors, the Chairman of the board of directors shall preside. The Chairman shall be appointed by the board of directors.

Section 7 Regular Meetings. The board of directors may fix by resolution the time and place, either within or without the State of California, for the holding of regular meetings of the board without other notice than such resolution. Notice of any change in the time or place of

regular meetings shall be given to all of the directors in the same manner as notice for special meetings of the board of directors.

Section 8 Special Meetings. Special meetings of the board of directors for any purpose or purposes may be called by the president or, if the president is absent or refuses to act, by any vice president (if the board of directors shall have created such office or offices) or by any two (2) directors.

Section 9 Board of Advisors. The board of directors may at any time in its discretion establish a board of advisors for the California Alternative Investments Association which, if established, shall consist of no more than 6 members, all of whom must have previously served for at least two (2) years on the board of directors. Members of the board of advisors shall meet periodically at the request of the board of directors and shall serve on the board of advisors at the pleasure of the board of directors. **Section 10** Notice. Special meetings of the board of directors shall be held upon four (4) days' notice by first-class mail or forty-eight (48) hours' notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail or other electronic means, charges prepaid, to each director at his address as shown on the records of this corporation or, if it is not shown on the records and is not readily ascertainable, at the place at which the meetings of the directors are regularly held. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegraph, facsimile, electronic mail or other electronic means, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company or actually transmitted by the person giving notice by electronic means. Any notice given personally or by telephone may be communicated either to

the director or to a person at the office of the director whom the person giving the notice has reason to believe will promptly communicate it to the director. Notice of a meeting need not be given to any director who signed a waiver of notice or a written 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 himself. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

Section 11 Quorum and Adjournment. A majority of the number of directors authorized by these bylaws shall constitute a quorum for the transaction of business at any meeting of the board. A majority of the directors present, whether or not a quorum is present, may adjourn the meeting for twenty-four (24) hours or less without further notice. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 12 Manner of Acting. The act of a majority of the directors present at a meeting duly held at which a quorum is present shall be the act of the board of directors, unless the act of a different number is authorized by law, the articles of incorporation or these bylaws. 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 as many directors as is required to act for the board.

Members of the board of directors may participate in a meeting through use of conference telephone, electronic video screen communications, or other communications equipment.

Participation in a meeting through use of conference telephone pursuant to this section constitutes presence in person at that meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) pursuant to this section constitutes presence in person at that meeting if all of the following apply:

(a) Each member participating in the meeting can communicate with all of the other members concurrently.

(b) Each member is provided the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

(c) The corporation adopts and implements some 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 13 Action Without a Meeting of the Board. 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 shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

Section 14 Directors' Duty of Care. A director shall perform the duties of a director, including duties as a member of any committee of the board upon which the director may serve,

in good faith, in a manner such director believes to be in the best interests of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

In performing the duties of a director, the director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- (a) One or more officers or employees of this corporation whom the director believes to be reliable and competent in the matters presented;
 - (b) Counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or
 - (c) A committee of the board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence,
- so long as, in any such case, the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 15 Directors' Duty of Loyalty. Subject to being able to comply with Section 7233(a)(3) of the Law or any successor section thereto, no contract or other transaction between this corporation and one or more of its directors, or between this corporation and any domestic or foreign corporation, firm or association in which one or more of this corporation's directors has a material financial interest shall be authorized, approved or ratified by the board or a committee of the board unless the material facts as to the transaction and as to the director's or directors' interest are fully disclosed or known to the board or a committee, and the board or a

committee of the board authorizes, approves or ratifies the contract or the transaction in good faith by a vote sufficient without counting the vote of the interested director or directors and the contract or the transaction is just and reasonable as to this corporation at the time it is authorized, approved or ratified. Within the meaning of this section, a “material financial interest” does not include a common directorship. A director is not interested within the meaning of this section in a resolution fixing the compensation of another director as a director, officer or employee of the corporation, notwithstanding the fact that the first director is also receiving compensation from the corporation.

Subject to being able to comply with Section 7233(b)(2) of the Law or any successor section thereto, no contract or other transaction between this corporation and any corporation, business corporation or association in which one or more directors are directors, shall be authorized, approved or ratified by the board or a committee of the board unless the material facts as to the transaction and as to the director’s or directors’ common directorships are fully disclosed and known to the board or committee of the board, and the board or a committee of the board authorizes, approves or ratifies the transaction in good faith by a vote sufficient without counting the vote of the common director or directors.

Interested directors may be counted in determining the presence of a quorum at a meeting of the board which authorizes, approves or ratifies a transaction pursuant to this section.

Section 16 Removal and Filling Vacancies. Any director selected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of this corporation would be served thereby. Any removal of a director prior to the expiration of the term will require a two-thirds (2/3) vote (excluding the director in question) by all board members eligible to vote. The board may declare vacant the office of a director who has been

declared of unsound mind by a final order of a court, or convicted of a felony, or, with regard to assets held in charitable trust, has been found by a final order or judgment of any court to have breached any duty arising under Article 3 of Chapter 2 of the Law or any successor article thereto. Any vacancy occurring on the board of directors, as well as any directorship to be filled by reason of an increase in the number of directors, shall be filled by approval of the board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with Section 7211 or (3) a sole remaining director. A director elected to fill a vacancy shall hold office during the unexpired term of his predecessor in office and until his successor is elected.

Section 17 Compensation. Directors and members of committees will not receive any compensation for their services other than reimbursement of expenses as may be determined by resolution of the board of directors to be just and reasonable or as may be approved by the members.

Section 18 No Interest in Assets. During the life of this corporation, no director shall possess any property right in or to the property of this corporation. In the event this corporation owns or holds any property upon its dissolution and winding up, after paying or adequately providing for its debts and obligations, the directors shall dispose of the remaining property in accordance with the provisions of the articles of incorporation.

Section 19 Resignation. Any director may resign effective upon giving written notice to the president, the secretary or the board of directors of this corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

ARTICLE IV

Officers

Section 1 Officers. The officers of this corporation shall be a president, one or more vice presidents, a secretary, a treasurer and such other officers with such titles and duties as shall be determined by the board of directors. Any number of offices may be held by the same person.

Section 2 Selection and Term of Office. The officers of this corporation shall be chosen according to a method authorized by the board of directors and shall serve at the pleasure of the board for a minimum term of 2 years but for no more than 3 years without the approval of two-thirds (2/3) of the Board (excluding the officer in question). Removal. Any officer selected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of this corporation would be served thereby. Any removal of an officer prior to the expiration of the term will require a two-thirds (2/3) vote (excluding the officer in question) by all board members eligible to vote.

Section 3 Resignation. Any officer may resign at any time upon written notice to this corporation without prejudice to the rights, if any, of this corporation under any contract to which the officer is a party.

Section 4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the board of directors.

Section 5 President. Subject to such powers and duties, if any, as may be prescribed by these bylaws, the president shall be the general manager and chief executive officer of this corporation and shall, subject to the control of the board of directors, have general supervision, direction and control of the business and officers of this corporation. He shall preside at all meetings of the members and at all meetings of the board of directors. He shall have all of the

powers and shall perform all of the duties which are ordinarily inherent in the office of the president, and he shall have such further powers and shall perform such further duties as may be prescribed for him by the board of directors.

Section 6 Vice Presidents. In the absence or disability or refusal to act of the president, the vice presidents in order of their rank as fixed by the board of directors or, if not ranked, the vice president designated by the president or the board of directors, shall perform all of 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 bylaws.

Section 7 Treasurer. The treasurer shall be the chief financial officer of this corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account of this corporation. He shall oversee the receipt and deposit all moneys and other valuables belonging to this corporation in the name and to the credit of this corporation and shall disburse the same only in such manner as the board of directors or the appropriate officers of this corporation may from time to time determine and shall render to the chief executive officer and the board of directors, whenever they request it, an account of all his transactions as treasurer and of the financial condition of this corporation. He shall have all of the powers and shall perform all of the duties incident to the office of treasurer, and he shall have such further powers and shall perform such further duties as may be prescribed for him by the board of directors.

Section 8 Secretary. The secretary shall keep or cause to be kept at the principal executive office of this corporation, or such other place as the board of directors may order, a

book of minutes of all proceedings of the members and the board of directors, with the time and place of holding, whether regular or special, and if special how authorized, the notice thereof given, the names of those present at directors' meetings, and the number of members present or represented at meetings of members. The secretary shall keep or cause to be kept at the principal executive office or at such other place as the board of directors may order a record of members or a duplicate record of members showing the names of the members, their addresses and the number of votes held by each membership. The secretary or, if he is absent or unable or refuses to act, any other officer of this corporation, shall give or cause to be given notice of all the meetings of the members, the board of directors and committees of the board required by the bylaws or by statute to be given, and he shall keep the seal of this corporation, if any, in safe custody. He shall have all of the powers and perform all of the duties incident to the office of secretary, and he shall have such further powers and shall perform such further duties as may be prescribed for him by the board of directors.

ARTICLE V

Committees

Section 1 Committees of Directors. The board of directors may, by resolution adopted by a majority of the number of directors then in office, provided that a quorum is present, create one or more committees, each consisting of two (2) or more directors, to serve at the pleasure of the board. Appointments to such committees shall be by a majority vote of the directors then in office. The board of directors may appoint one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The board of directors shall appoint a nominating committee, and membership committee, and an executive committee, and may appoint committees for the purpose of proposing and executing programs

for the members, sponsorship of such programs, and any other committee that the board of directors may establish from time to time. Any such committee, to the extent provided in the resolution of the board, shall have all the authority of the board, except with respect to:

- (a) The approval of any action for which the Law also requires approval of the members or approval of a majority of all members;
- (b) The filling of vacancies on the board or on any committee which has the authority of the board;
- (c) The fixing of compensation of the directors for serving on the board or on any committee;
- (d) The amendment or repeal of bylaws or the adoption of new bylaws;
- (e) The amendment or repeal of any resolution of the board which by its express terms is not so amendable or repealable;
- (f) The appointment of committees of the board or the members thereof;
- (g) The expenditure of corporate funds to support a nominee for director after there are more people nominated for director than can be elected; or
- (h) With respect to assets held in charitable trust, the approval of any self-dealing transaction as defined by Section 5233 of the Law or any successor section thereto, except as provided by law.

Section 2 Rules. Sections 5 to 16 of Article III of these bylaws shall also apply, with necessary changes in point of detail, to committees exercising the authority of the board of directors, if any, and to actions by such committees, except that (a) the first sentence of Section 8 of Article III shall not apply and a quorum of the committee shall be a majority of the authorized number of members of the committee and except that (b) special meetings of a committee may

be called by any two members of the committee, unless otherwise provided by these bylaws or by the resolution of the board of directors designating such committees. For such purpose, references to “the board” or “the board of directors” shall be deemed to refer to each such committee and references to “directors” or “members of the board” shall be deemed to refer to members of the committee.

Section 3 Other Committees. Other committees not having and exercising the authority of the board of directors in the management of this corporation may be designated by a resolution adopted by a majority of the directors. Except as otherwise provided in such resolution, members of each such committee shall be members of this corporation. Each such committee may adopt rules for its own governance not inconsistent with the rules set forth by the board of directors in the resolution designating the committee.

ARTICLE VI

Miscellaneous

Section 1 Contracts. The board of directors may authorize any officer or officers to be agent or agents of this corporation, 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 this corporation, and such authority may be general or confined to specific instances.

Section 2 Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of this corporation shall be signed by such officer or officers, agent or agents, of this corporation and in such manner as shall from time to time be determined by resolution of the board of directors. In the absence of such determination by the board of directors, such instruments shall be signed by the treasurer and countersigned by the chief executive officer of this corporation.

Section 3 Deposits. All funds of this corporation shall be deposited from time to time to the credit of this corporation in such banks, trust companies or other depositories as the board of directors may select.

Section 4 Donations. The chief executive officer of this corporation or his designee is authorized to accept donations which support the purposes of this corporation as set forth in the articles of incorporation of this corporation whether such donation is for a specific project or projects or is for the general support of this corporation's programs.

Section 5 Representation of Corporate Shares. The president or any vice president or the secretary or any assistant secretary of this corporation is authorized to vote, represent and exercise on behalf of this corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority herein granted to said officers to vote or represent on behalf of this corporation any and all shares held by this corporation in any other corporation or corporations may be exercised either by such officers in person or by any other person authorized so to do by proxy or power of attorney duly executed by said officers.

ARTICLE VII

Certificates of Membership

Section 1 Certificates of Membership. The board of directors may, but is not required to, provide for the issuance of certificates evidencing membership in this corporation. A membership certificate shall state on the certificate that this corporation is a nonprofit mutual benefit corporation which may not make distributions to its members in furtherance of a plan for the distribution of gains, profits or dividends to members except upon dissolution. The certificate must state that a copy of the restrictions on the transfer of membership are on file with

the secretary of the corporation and are open for inspection by a member on the same basis as the records of the corporation. If the membership is partly paid and subject to call, a statement must be placed on the certificate to that effect. The name and address of each member and the date of issuance of the certificate shall be entered on the records of this corporation. If any certificate shall become lost, stolen, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the board of directors may determine.

Section 2 Issuance of Certificates. When a member has qualified to become a member and has made any payment that may then be required, a certificate of membership shall be issued in his name and delivered to him by the secretary, if the board of directors shall have provided for the issuance of certificates of membership under the provisions of Section 1 of this article.

ARTICLE VIII

Books and Records

This corporation shall keep at its principal office in this state, if any, the original or a copy of its articles and bylaws as amended to date, which shall be open to inspection by members at all reasonable times during office hours. If this corporation has no office in California, it shall, upon the written request of any member, furnish to such member a copy of the articles and bylaws as amended to date.

This corporation shall keep adequate and correct books and records of account and shall also keep minutes of the proceedings of its members, board of directors and committees of the board and shall also keep a record of the names and addresses of the members entitled to vote. Minutes shall be kept in written form. Other books and records shall be kept either in written form or in any other form capable of being converted into written form.

Subject to the provisions of the Nonprofit Mutual Benefit Corporation Law regarding access to members' names, addresses and voting rights, any member of this corporation may:

(a) inspect and copy the records of members' names and addresses and voting rights during usual business hours on five (5) days' prior written demand on this corporation, stating the purpose for which the inspection rights are requested, and (b) obtain from the secretary of this corporation, on written demand and on the tender of the secretary's usual charges for such a list, if any, 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. This list shall be made available to any such member by the secretary on or before the later of ten (10) days after the demand is received or the date specified in it as the date by which the list is to be compiled.

All other books and records of this corporation may be inspected by any member, or his agent or attorney for any proper purpose at any reasonable time.

Any right of inspection includes the right to copy and make extracts and extends to the records of each subsidiary of this corporation, if any.

ARTICLE IX

Annual and Other Reports

Section 1 Annual Statement of Certain Transactions. The board of directors shall cause to be prepared and sent annually to the members and directors, within one hundred twenty (120) days after the close of this corporation's fiscal year, a statement which briefly describes each of the following transactions, if any:

(a) Any “covered transaction” (excluding compensation of officers and directors) during the previous fiscal year involving more than fifty thousand dollars (\$50,000), or which was one of a number of “covered transactions” in which the same “interested person” had a direct or indirect material financial interest, and which transactions in the aggregate involved more than fifty thousand dollars (\$50,000). The description of such “covered transactions” should include the names of the “interested persons” involved in such transactions, stating such person’s relationship to this corporation, the nature of such person’s interest in the transaction and, where practicable, the amount of such interest; provided, that in the case of a transaction with a partnership of which such person is a partner, only the interest of the partnership need be stated; and

(b) Any indemnification or advance aggregating more than ten thousand dollars (\$10,000) paid during the fiscal year to any officer or director of this corporation pursuant to the Law (presently Section 7237) providing for the indemnification of officers and directors; provided that no such report need be made in the case of indemnification approved by the members. The amount and circumstances of such indemnification should be stated.

Within the meaning of this section, a “covered transaction” means a transaction in which this corporation, its parent or its subsidiary was a party, and in which either of the following “interested persons” had a direct or indirect material financial interest: any director or officer of this corporation, or its parent or its subsidiary; or any holder of more than ten percent (10%) of the voting power of this corporation, its parent or its subsidiary. A common directorship is not a material financial interest within the meaning of this section.

If this corporation issues a report pursuant to Section 2 of this article, the statement required by this section shall be included therein.

Section 2 Financial Information. If this corporation receives ten thousand dollars (\$10,000) or more in gross revenues or receipts during the fiscal year, the board of directors shall cause to be prepared annually, within one hundred twenty (120) days after the close of this corporation's fiscal year, an annual report containing in appropriate detail the following information:

- (a) A balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year;
- (b) A statement of the place where the names and addresses of the current members may be found; and
- (c) Any information required by Section 1 of this article.

The report required by this section shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of this corporation that such statements were prepared without audit from the books and records of this corporation.

This corporation shall notify each member yearly of the member's right to receive the annual report prepared pursuant to this section and send the report to those members who request it.

ARTICLE X

Indemnification of Directors and Officers

This corporation shall, to the maximum extent permitted by law, indemnify each of its present or former directors and officers against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding or any threatened proceeding (hereinafter "proceeding" includes any threatened proceeding) arising by reason of

the fact that any such person is or was a director or officer of this corporation; provided that the board of directors determines that such director or officer was acting in good faith and in a manner such person reasonably believed to be in the best interests of this corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. Payments authorized hereunder include amounts paid and expenses incurred in settling any such proceeding. The foregoing does not apply to any proceeding specifically excluded by law, which includes actions brought by or in the right of this corporation and certain actions alleging self-dealing or a breach of any duty relating to assets held in charitable trust.

If, because of the nature of the proceeding, this corporation is prohibited by the Law from indemnifying its directors or officers against judgments, fines, settlements and other amounts, this corporation shall nevertheless indemnify each of its directors and officers against expenses actually and reasonably incurred in connection with the defense or settlement of such proceeding arising by reason of the fact that any such person is or was a director or officer of this corporation; provided that the board of directors determines that such director or officer was acting in good faith and in a manner such person believed to be in the best interests of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances and further provided that, to the extent required by law, the authority specified by law shall also approve the indemnification provided for by this paragraph.

Expenses incurred in defending any proceeding may be advanced by this corporation prior to the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount of the advance unless it is determined ultimately that the director or officer is entitled to be indemnified as authorized in this article or by law.

The board of directors may authorize this corporation to purchase and maintain insurance on behalf of any director or officer against any liability asserted against or incurred by such person in such capacity or arising out of the person's status as such, whether or not this corporation would have the power to indemnify such person against such liability.

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 a director or officer of this corporation. 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 XI

Limitation of Liability of Volunteer Directors

and Volunteer Executive Officers

Except as provided in Section 7233 or 7236, there is no monetary liability on the part of, and no cause of action for damages shall arise against, any volunteer director or volunteer executive officer of this corporation based upon any alleged failure to discharge the person's duties as a director or officer if the duties are performed in a manner that meets all of the following criteria:

- (a) The duties are performed in good faith;
- (b) The duties are performed in a manner such director or officer believes to be in the best interests of the corporation; and
- (c) The duties are performed with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

“Volunteer” means the rendering of services without compensation. “Compensation” means remuneration whether by way of salary, fee, or other consideration for services rendered. However, the payment of per diem, mileage, or other reimbursement expenses to a director or executive officer does not affect that person’s status as a volunteer within the meaning of this section.

“Executive officer” means the president, vice president, secretary or treasurer of the corporation, or other individual serving in like capacity, who assists in establishing the policy of the corporation.

ARTICLE XII

Corporate Loans, Guarantees and Advances

Except as provided by the Law (presently Section 7235), this corporation shall not make any loan of money or property to or guarantee the obligation of:

- (a) Any director or officer of this corporation or of its parent or any subsidiary; or
- (b) Any person upon the security of memberships of this corporation or its parent, unless said loan guarantee is otherwise adequately secured.

ARTICLE XIII

Amendments to Bylaws

New bylaws may be adopted, or these bylaws may be amended or repealed, by the approval of the board of directors.

Except by vote of the Board of Directors of this corporation, no bylaw may be adopted, amended or repealed that:

- (a) amends Section 2 of Article III changing the authorized maximum or minimum number of directors of this corporation;
- (b) increases the term of any director as provided by Section 5 of Article III;
- (c) an amendment authorizing the directors to fill a vacancy on the board created by removal of a director; or
- (d) authorizes a new class of membership.