

**AMENDED AND RESTATED BYLAWS OF
ATHERTON CIVIC INTEREST LEAGUE**

EFFECTIVE AS OF _____, 2007

**ARTICLE I.
OFFICES**

Section 1.01 Principal Office. The principal office of the Corporation for its transaction of business is located in the Town of Atherton, County of San Mateo; the post office address is 150 Watkins Avenue, Atherton, CA 94027.

Section 1.02 Change of Address. The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another in the town of Atherton, California. Any such change shall be noted by the Secretary of the Corporation in these Bylaws but shall not be considered an amendment of these Bylaws.

**ARTICLE II.
MEMBERS**

Section 2.01 Classification and Qualification of Members. The Corporation shall have one (1) class of members, who will be known as Regular Members. Regular Members of the Corporation shall be natural persons who are either residents or property owners of the Town of Atherton, California. Each such person shall be entitled on one (1) Regular Membership.

Each member shall have the right to vote, as set forth in Section 3.10 of Article III, for the election of Directors and on a disposition of substantially all of these assets of the Corporation and on a merger and on a dissolution. Additionally, members shall have all of the rights afforded member under the California Nonprofit Public Benefit Corporation Law.

In the event of a dissolution of the Corporation, the property of the Corporation, as required by Section 23701 of the California Revenue and Taxation Code, is irrevocably

dedicated to exempt purposes; and no member shall possess any property right in or to the property of the corporation. Any property owned or held by the corporation upon its dissolution and winding up, after paying or adequately providing for its debts and obligations, shall be disposed of by the directors only by transferring such property to an organization or organizations which has established its tax exempt status under the California Revenue and Taxation Code.

Section 2.02 Eligibility for Membership. Any natural person is eligible to be a member of the Corporation, except that such person shall not be eligible for membership unless over the age of eighteen (18) years.

Section 2.03 Admission to Membership. Any natural person qualified for membership under Section 2.01 of these Bylaws and eligible for membership under Section 2.02 of these Bylaws, shall be admitted into membership only on the approval of the Board of Directors of an application submitted by such person in such form and in such manner as shall be prescribed by the Board of Directors and on the payment of the dues specified in Section 2.05 of these Bylaws. Such membership shall be for the period of time specified by resolution of the Board as provided in Section 2.05 below.

Section 2.04 [Intentionally Omitted].

Section 2.05 Dues. The dues payable to the Corporation by members shall be in such amounts and for such time period as shall be determined by resolution of the Board of Directors. A member, on learning of the amount of dues determined by the Board of Directors and the time or times of payment fixed by the Board of Directors, may avoid liability for the dues by promptly

resigning from membership, except where the member is, by contract or otherwise, liable for the dues.

Section 2.06 Assessments. Memberships shall be nonassessable.

Section 2.07 Number of Members. There shall be no limit on the number of members the Corporation may admit.

Section 2.08 Membership Book. The Corporation shall keep in written form or in any form capable of being converted into written form a membership book containing the name, address and class of each member. The book shall also contain the fact of termination and the date on which such membership ceased. Such book shall be kept at the principal office of the Corporation and shall be subject to the rights of inspection required by law as set forth in Section 2.09 of these Bylaws.

Section 2.09 Inspection Rights of Members.

(a) **Demand.** Subject to the Corporation's right to set aside a demand for inspection pursuant to Section 6331 of the Corporations Code and the power of the court to limit inspection rights pursuant to Section 6332 of the Corporations Code, and unless the Corporation provides a reasonable alternative as permitted by Section 2.09(c) of these Bylaws, a member satisfying the qualifications set forth hereinafter may do either or both of the following:

1. Inspect and copy the record of all members' names, addresses and voting rights, at reasonable times on five (5) business days' prior written demand on the Corporation, which demand shall state the purpose for which the inspection rights are required; or

2. Obtain from the Secretary of the Corporation, on written demand and tender of a reasonable charge, a list of the names, addresses and voting rights of those members entitled to vote for the election of Directors, as of the most recent record date for which it has been compiled or as of the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be available on or before the later of ten (10) business days after the demand is received or after the date specified therein as the date as of which the list is to be compiled.

(b) **Members Permitted to Exercise Inspection Rights.** The rights of inspection set forth in Section 2.09(a) of these Bylaws may be exercised by the following:

1. Any member, for a purpose reasonably related to such person's interest as a member; and
2. The authorized number of members for a purpose reasonably related to the members' interest as members.

(c) **Alternative Method of Achieving Purpose.** The Corporation may, within ten (10) business days after receiving a demand pursuant to Section 2.09(a) of these Bylaws, deliver to the person or persons making the demand a written offer of any alternative method of achieving the purpose identified in said demand without providing access to or a copy of the membership list. An alternative method which reasonably and in a timely manner accomplishes the proper purpose set forth in a demand made pursuant to Section 2.09(a) of these Bylaws shall be deemed reasonable, unless within a reasonable time after acceptance of the offer, the Corporation fails to do those things which it offered to do. Any rejection of the offer shall be in

writing and shall indicate the reasons the alternative proposed by the corporation does not meet the proper purpose of the demand made pursuant to Section 2.09(a) of these Bylaws.

Section 2.10 Certificates of Membership. The Corporation shall not issue membership certificates; however, the Corporation reserves the right to issue identity cards or similar devices to members which serve to identify members qualifying to use the facilities or services of the Corporation.

Section 2.11 Non-liability of Members. A member of the Corporation shall not solely because of such membership be personally liable for the debts, obligations or liabilities of the Corporation.

Section 2.12 Transferability of Membership. Neither the membership in the Corporation nor any rights in the membership may be transferred for value or otherwise during its life or upon dissolution.

Section 2.13 Termination, **and** Resignation of Membership.

(a) Termination of Membership. The membership and all rights of membership shall automatically terminate on the occurrence of any of the following causes:

1. The voluntary resignation of a member with notice as prescribed by Section 2.13(b) of these Bylaws;
2. Where a membership is issued for a period of time, the expiration of such period of time; and
3. The death of a member.

(b) **Resignation by Giving Notice.** The membership of any member of the Corporation shall automatically terminate on such member's written request for such termination delivered to the Corporation personally or deposited in the United States mail, postage prepaid.

(c) **Effect of Termination.** All rights of a member in the Corporation and in its property shall cease on the termination of such member's membership. Termination shall not relieve the member from any obligation for charges incurred, services or benefits actually rendered, dues or fees, or arising from the contract or otherwise. The Corporation shall retain the right to enforce any such obligation or obtain damages for its breach.

ARTICLE III. **MEETINGS OF MEMBERS**

Section 3.01 Place. Meetings of members shall be held at such location within the State of California as may be designated from time to time by resolution of the Board of Directors.

Section 3.02 Regular Meetings. The members shall meet annually in any of the months of April, May or June of each year on such day and at such hour of said day as may be designated by resolution of the Board of Directors for the purpose of transacting such proper business as may come before the meeting, including the election of Directors. If the election of Directors shall not occur at any such meeting of the members, or without a meeting by written ballot pursuant to Section 3.11 of these Bylaws, the Board shall, or five percent (5%) of the members may cause the election of Directors to be held at a special meeting of members called and held as soon as it is reasonably possible after the adjournment of the regular meeting of the members. If the day fixed for the regular meeting of members falls on a legal holiday, such meeting shall be held at the same hour and place on the next succeeding day.

Section 3.03 Special Meetings. Special meetings of members shall be called by the Board of Directors and held at such places within the State of California as is fixed in Section 3.01 of these Bylaws for regular meetings of members. Five percent (5%) or more of the members of the Corporation may call a special meeting for any lawful purpose upon written request to the President, any Vice President, or Secretary.

Section 3.04 Notice of Meetings. Written notice of every meeting of members shall be either personally delivered or mailed by first-class United States mail, postage prepaid, not less than ten (10) nor more than ninety (90) days before the date of the meeting, to each member who on the record date for notice of the meeting is entitled to vote thereat.

In the event notice is given by mail or other means of written communication, the notice shall be addressed to the member at the address of such member appearing on the books of the Corporation or at the address given by the member to the Corporation for the purpose of notice. Where no such address appears or is given, notice shall be given at the principal office of the Corporation. The Secretary of the Corporation, or any transfer agent specially designated by the Secretary for the purpose herein mentioned, may execute an affidavit of the giving of the notice of the meeting of members. In the case of a specially called meeting of members, as specified in the last sentence of Section 3.03, notice that a meeting will be held at a time requested by the person or persons calling the meeting not less than thirty-five (35) days nor more than ninety (90) days after receipt of the written request from such person or persons by the President of the Corporation shall be sent to the members forthwith and in any event within twenty (20) days after the request was received.

No meeting of members may be adjourned more than forty-five (45) days. If a meeting is adjourned to another time or place and thereafter a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member of record who, on the record date for notice of the meeting, is entitled to vote at the meeting.

Section 3.05 Contents of Notice. The notice shall state the place, date and time of the meeting. In the case of regular meetings, the notice shall state those matters which the Board of Directors, at the time the notice is given, intends to present for action by the members. The notice of any meeting at which Directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the members.

Section 3.06 Waiver, Consents and Approvals. The transactions of any meeting of members, 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 either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote but not present in person or by proxy, 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 filed with the corporate records or made a part of the minutes of the meeting.

Section 3.07 Quorum. A quorum at any meeting of members shall consist of ten percent (10%) of the voting power, represented in person or by proxy; provided, however, that if any regular or annual meeting is actually attended in person or by proxy by less than one-third (1/3) of the voting power, the only matters that may be voted on are those of which notice of the general nature was given under Sections 3.04 and 3.05 of these Bylaws.

Section 3.08 Loss of Quorum. 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 such action taken, other than adjournment, is approved by at least a majority of members required to constitute a quorum.

Section 3.09 Adjournment for Lack of Quorum. 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 votes represented either in person or by proxy, but no other business may be transacted except as provided in Section 3.08 of these Bylaws.

Section 3.10 Voting of Membership.

(a) **Entitlement.** Each regular member is entitled to one vote on each matter submitted to a vote of the members.

(b) **Record Date of Membership.** The Board of Directors shall fix, in advance, a date as the record date for the purposes of determining the members entitled to notice of and to vote at any meeting of 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 shall also 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 other lawful action. Such record date shall not be more than sixty (60) days prior to such other action.

(c) **Cumulative Voting.** Cumulative voting shall not be authorized for the election of Directors or for any other purpose.

(d) **Proxy Voting.** Members entitled to vote, as set forth in Section 3.10(a) of these Bylaws, shall have the right to vote either in person or by a written proxy executed by such person or his or her duly authorized agent and filed with the Secretary of the Corporation, except as otherwise expressly provided in these Bylaws; provided, however, that a proxy shall not be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. The maximum term of any proxy shall be three (3) years from the date of its execution. Every proxy shall continue in full force and effect until revoked by the person executing it prior to the vote pursuant thereto.

Section 3.11 Action Without Meeting.

(a) **Written Ballot.**

1. **Ballot Requirements.** Any action which may be taken at any regular or special meeting of members may be taken without a meeting provided there is satisfaction of the following ballot requirements:

(i) The Corporation distributes a written ballot to every member entitled to vote on the matter;

(ii) The ballot sets forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Corporation;

(iii) The number of votes cast by ballot with the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action; and

(iv) 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.

2. **Solicitation of Ballots.** Ballots shall be solicited in a manner consistent with the requirements for giving notice of members' meetings set forth in Section 3.04 of these Bylaws and of voting by written ballot set forth in Section 3.11(c) of these Bylaws. All such solicitations shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of Directors, shall state the percentage of approvals necessary to pass the measure submitted. The solicitation shall specify the time by which the ballot must be received in order to be counted.

3. **Voting by Written Ballot.** The form of written ballot distributed to ten (10) or more member shall afford an opportunity on the form of written ballot to specify a choice between approval and disapproval of each matter or group of related matters intended, at the time the written ballot is distributed, to be acted upon by such written ballot. The form shall also provide, subject to reasonable specified conditions, that where the person solicited specifies a choice with respect to any such matter, the vote must be cast in accordance therewith. Directors may be elected by written ballots. In any election of Directors, any form of written ballot in which the Directors to be voted on are named therein as candidates and which is marked by a member "withheld" or otherwise marked in a manner indicating that the authority to voted for

the election of Directors is withheld shall not be voted either for or against the election of a Director.

4. **Revocation of Ballot.** A written ballot may not be revoked.

(b) **Action by Consent.** Any action required or permitted to be taken by the members may be taken without a meeting, if all members shall individually or collectively 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.

Section 3.12 Conduct of Meetings.

(a) **Chairman.** The President of the Corporation, or, in his or her absence, any other person chosen by a majority of the voting members present in person or by proxy shall be Chairman of and shall preside over the meeting of the members.

(b) **Secretary of the Meetings.** The Secretary of the Corporation shall act as the secretary of all meeting of members; provided that in his or her absence, the Chairman of the meetings of members shall appoint another person to act as secretary of the meetings.

(c) **Rules of Order.** Roberts' 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, the Articles of Incorporation of this Corporation, or the law.

ARTICLE IV.
THE DIRECTORS

Section 4.01 **Number.** The Corporation shall not have less than five (5) nor more than twenty (20) Directors. The number of Directors shall initially be fifteen (15) and this shall be fixed from time to time, within the limits specified above in Section 4.01, by resolution adopted by the Board.

Section 4.02 **Qualifications.** The Directors of this Corporation shall be residents or property owners of the Town of Atherton, State of California, and the Directors shall also be members of the Corporation. The Directors shall also be members in good standing.

Section 4.03 **Terms of Office.** Subject to Section 4.05, each Director shall hold office for the term of one (1) year from the date of such Director's election, and until such Director's successor is elected and qualifies under Section 4.02 of these Bylaws. In the event a Director is removed at a special meeting of the members called and held as prescribed by Section 3.03 of these Bylaws, such Director shall hold office until his or her removal or his or her successor is elected and qualifies and no longer.

Section 4.04 **Nomination.** Any person qualified to be a Director under Section 4.02 of these Bylaws may be nominated by the method of nomination authorized by the Board, these Bylaws or by any other method authorized by law.

Section 4.05 **Election.** The Directors shall be elected at each annual meeting as prescribed by Section 3.02 of these Bylaws or by written ballot as authorized by Section 3.11 of these Bylaws. The candidates receiving the higher number of votes up to the number of Directors to be elected are elected. Directors shall be eligible for re-election, provided they

continue to meet the qualifications required by Section 4.02 of these Bylaws and, subject to the two immediately preceding sentences, provided that a Director may only serve for a period of five (5) consecutive years. Upon adoption of the Bylaws, each of the then current directors shall be placed into one of three classes: Class I, Class II and Class III. Class I directors may serve for up to five consecutive years, Class II directors may serve for up to ten consecutive years, and Class III directors may serve for up to fifteen consecutive years.

Section 4.06 Compensation. The Directors shall serve without compensation.

Section 4.07 Meetings.

(a) **Call of Meetings.** Meetings of the Board may be called by the President or any Vice-President or the Secretary or any two (2) Directors.

(b) **Place of Meetings.** All meetings of the Board shall be held at the principal office of the Corporation as specified in Section 1.01 of these Bylaws or as changed from time to time as provided in Section 1.02 of these Bylaws, or at such location as may be designated from time to time by resolution of the Board of Directors.

(c) **Annual Meeting of Directors.** The Board shall hold an annual meeting at the principal office of the corporation, or at any other designated meeting place, at such time following each annual meeting of the members as shall be determined by resolution of the Board, but in no event more than 90 days after the annual meeting of members. At the annual meeting of Directors the Directors shall transact such business as they determine, including the election of officers. Notice of such meeting is hereby dispensed with.

(d) **Time of Regular Meetings.** The Board may fix by resolution the time and place for holding of regular meetings of the Board other than notice of such resolution. Unless regular meetings are fixed by the Board, 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.

(e) **Special Meetings.** Special meetings of the Board may be called by the Chairman of the Board or the President or any Vice President or the Secretary or any two (2) Directors. Special meetings shall be held on four (4) days' notice by first class mail, postage prepaid, or on forty-eight (48) hours' notice delivered personally or by telephone (including answering machine or voicemail), telegraph, facsimile, electronic mail or other electronic means. Notice of the special meeting need not be given to any Director who signs 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 such notice to such Director. All such waivers, consents and approvals shall be filed with the corporation records or made a part of the minutes of the meetings.

(f) **Quorum.** A majority of the authorized number of Directors constitutes a quorum of the Board for the transaction of business, except as hereinafter provided.

(g) **Transactions of the Board.** Except as otherwise provide in the Articles, in these Bylaws or by law, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board; provided, however, that any meeting at which a quorum was 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.

(h) **Conduct of Meeting.** The President of the Corporation or, in the President's absence, any other Director selected by the Directors present, shall preside at meetings of the Board of Directors. The Secretary of the Corporation or, in the Secretary's absence, any Director appointed by the presiding officer shall act as Secretary of the Board. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Such participation shall constitute personal presence at the meeting.

(i) **Adjournment.** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment to another time or place must be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 4.08 Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if all Directors 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 the unanimous vote of such Directors.

Section 4.09 Removal of Directors.

(a) **Removal for Cause.** The Board may declare vacant the office of a Director on the occurrence of any of the following events:

1. The Director has been declared of unsound mind by a final order of court;
2. The Director has been convicted of a felony or committed an act of moral turpitude that has caused, or reasonably could cause, harm, reputational or otherwise, to the Corporation;
3. The Director has been found by a final order or judgment of any court to have breached duties imposed by law on Directors who perform functions with respect to assets held in charitable trust; or
4. Failure to attend at least 75% of scheduled meetings of the Board during any 12 month period.

(b) **Removal Without Cause.** Any or all of the Directors may be removed without cause if, where the Corporation has fewer than fifty (50) members, such removal shall be approved by a majority of all members pursuant to Section 5033 of the Corporations Code; or where the Corporation has fifty (50) or more members, such removal shall be approved by the members within the meaning of Section 5034 of the Corporations Code.

(c) **Reduction in Authorized Number of Directors.** Any reduction of the authorized number of Directors does not remove any Director prior to the expiration of the Director's term of office.

(d) **Removal Prior to Expiration of Term.** Except as provided in Section 4.09(a) hereof and by law, a Director may not be removed prior to the expiration of the Director's term of office.

Section 4.10 Resignation of Director. Any Director may resign effective on giving written notice to the Chairman of the Board of Directors, the President, the Secretary or the Board of Directors of the 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.

Section 4.11 Vacancies on the Board.

(a) **Causes.** The Board may declare vacant the office of any Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty, or failed to attend at least 75% of scheduled meetings of the Board during any 12 month period. The Board, by a majority vote of the Directors who meet all of the required qualifications to be a Director, may declare vacant the office of any Director who fails or ceases to meet any required qualification that was in effect at the beginning of that director's current term of office. Vacancies on the Board of Directors shall also exist on the death, resignation or removal of any Director, whenever the number of directors authorized is increased, and on the failure of the members in any election to elect the full number of Directors authorized.

(b) **Filling Vacancies by Directors.** Except for a vacancy created by the removal of a Director pursuant to Section 4.09(a) hereof, vacancies on the Board of Directors may be filled by a majority of the Directors then in office, or, if the number of Directors then in effect is

less than a quorum, by: (1) the unanimous written consent of the Directors then in office; (2) by a majority of the Directors then in office at a meeting held in accordance with these Bylaws; or (3) by a sole remaining Director.

(c) **Filling Vacancies by Board or Members.** Vacancies created by removal of Directors may be filled by the Board or by the approval of the members within the meaning of Section 5034 of the Corporations Code. The members may elect a Director at any time to fill any vacancy not filled by the Directors.

Section 4.12 Committees. The Board may, by resolution adopted by a majority of the Directors then in office, provided that a quorum is present, create one or more committees, each consisting of two 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, unless otherwise provided in the Articles or these Bylaws. The Board may appoint one or more Directors as alternate members of any committee, who may replace any absent Director at any meeting of such committee. Any such committee, to the extent provided in the resolution of the Board or in these bylaws, shall have all the authority of the board, except with respect to:

1. The approval of any action for which this part also requires approval of the members or approval of a majority of all members.
2. The filling of vacancies on the Board or in any committee which has the authority of the Board.
3. The amendment or repeal of these Bylaws or the adoption of new bylaws.

4. The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable.

5. The appointment of committees of the Board or the members thereof.

The foregoing shall not apply to any committee which does not exercise the authority of the board.

ARTICLE V. **THE OFFICERS**

Section 5.01 Number and Titles. The officers of the Corporation shall be a President, a Vice President, a Secretary, a Chief Financial Officer and any number of such other officers with such titles and duties as shall be determined by the Board and as may be necessary to enable it to sign instruments. The President is the general manager and chief executive officer of the Corporation. Any number of offices may be held by the same person, except as prohibited by law. Except for the President, officers shall not be Directors of the Corporation.

Section 5.02 Subordinate Officers. The Board may elect officers of the Corporation, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 5.03 Appointments and Resignations. The term of office of the officers chosen by the Board shall be for a period one (1) year commencing on the first day of July of each year and continuing until their successors take office. The officers will serve their terms at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment. Any officer may resign at any time on written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is party.

ARTICLE VI.
CORPORATE RECORDS, REPORTS AND SEAL

Section 6.01 Keeping Records. The Corporation shall keep adequate and correct records of account and minutes of the proceedings of its members, the Board and committees of the Board. The Corporation shall also keep a record of its members, giving their names and addresses and the class of membership held by each. The minutes shall be kept in written form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

Section 6.02 Annual Report. The Board shall cause an annual report to be sent to the members not later than one hundred twenty (120) days after the close of the Corporation's fiscal year. The report shall contain all the information required by Section 6321(a) of the Corporations Code and shall be accompanied by any report thereon of independent accountants, or if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation. The annual report shall be furnished to all Directors.

Section 6.03 Annual Statement of Certain Transactions and Indemnifications. The Corporation shall furnish annually to its members a statement of any transaction or indemnification described in Section 6322(d) and (e) of the Corporations Code, if such transaction or indemnification took place. Such annual statement shall be affixed to and sent with the annual report described in Section 6.02 of these Bylaws.

Section 6.04 Corporate Seal. The Board of Directors shall adopt a corporate seal which shall be in the following form and design:

ARTICLE VII.
AMENDMENT OF BYLAWS

Section 7.01 Except as prohibited by law, these Bylaws may be amended by (1) the Board of Directors, unless the action would materially and adversely affect the rights of members as to voting or transfer, and (2) the approval of members. -

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The Secretary of the Corporation shall have the custody of the seal and shall affix it in all appropriate cases to all corporate documents. Failure to affix the seal shall not, however, affect the validity of any instrument.