

**AMENDED AND RESTATED BYLAWS OF
INSURANCE BROKERS AND AGENTS OF THE SAN FERNANDO VALLEY**

a California nonprofit mutual benefit corporation

ARTICLE I

NAME

The name of this corporation is:

INSURANCE BROKERS AND AGENTS OF THE SAN FERNANDO VALLEY

This corporation may also conduct its exempt activities under the fictitious business names and styles of "IBA-SFV", and/or "IBA SAN FERNANDO VALLEY", and/or any other fictitious business name that the Board of Directors may from time to time select.

ARTICLE II

OFFICES

Section 2.1. Principal Office

The principal office for the transaction of the activities and affairs of this corporation ("principal office") is located at P.O. Box 7365, Mission Hills, California 91344. The Board of Directors (the "Board") may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

Section 2.2. Other Offices

The Board may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

ARTICLE III

PURPOSES

This corporation is a nonprofit mutual benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Mutual Benefit Corporation Law. This corporation is organized exclusively for the purposes stated below within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future

United States Internal Revenue Law). Notwithstanding any other provision of these Bylaws, this corporation shall not, except to an insubstantial degree, carry on or engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any further United States Internal Revenue Law).

Without limiting the generality of the foregoing, the specific and primary purpose for which this corporation is formed is to inculcate and foster sound and legitimate practices in all branches of the production subdivision of the insurance business; to give to the insuring public competent counsel in all matters pertaining to the business; and to seek to cooperate with the California Department of Insurance as regards unqualified agents, brokers or solicitors.

No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate in or intervene in (including the publishing or distributing of statements in connection with) any political campaign on behalf of any candidate for public office.

ARTICLE IV

MEMBERS

Section 4.1. Classes of Membership

(a) Classes and Qualifications. This corporation shall have two classes of members, which are voting members and nonvoting members. The voting members consist of persons or entities who are dedicated to the purposes of this corporation, and who meet the qualifications for voting membership. Nonvoting members shall be persons who provide financial or other assistance to this corporation and who request, and are granted by the Board, non-voting membership in this corporation. The Board shall determine which persons or entities, if any, are eligible for membership (i.e., voting members or nonvoting members) on approval of the membership application by the Board. Every member of this Corporation shall abide by and faithfully carry out the intent as well as the spirit of the Code of Ethics of the Independent Insurance Agents and Brokers of America, all statutes contained in the Insurance Code of the State of California and the rulings of the Board of Directors, in order to better promote the Corporation's purposes.

(b) Voting Members. The voting members shall be entitled to vote, as set forth in these Bylaws, on the election of Directors, on the disposition of all or substantially all of the assets of the corporation, on any merger and its principal

terms and any amendment of those terms, on any election to dissolve the corporation, on any amendment to the Articles Of Incorporation, except as otherwise specified in the California Nonprofit Mutual Benefit Corporation Law, on appeals of the Board of Directors actions when such appeal is received by written notice filed with the President of the Corporation within ten (10) days after notification to the members of the action of the Board, and on the adoption, amendment or repeal of these Bylaws, except as otherwise specified in the California Nonprofit Mutual Benefit Corporation Law. In addition, members shall have all rights afforded members under the California Nonprofit Mutual Benefit Corporation Law. References in these Bylaws to "members" shall mean members as defined in the Corporations Code section 5056, i.e., the members of the class set forth in this Section 4.1(b).

Voting memberships shall not be available to office brokers, solicitors or agents who are domiciled in the office of a voting member of this Corporation. Voting membership shall be available to individuals, firms or other corporations who:

- (i) Are properly qualified and licensed, as provided by the laws of the State of California, to act as Insurance Agents or Brokers;
- (ii) Principally represent Fire and Casualty insurance companies doing business solely under the American Agency System;
- (iii) Are engaged principally in the production of general insurance on a commission basis and who are engaged in no business incompatible with the aims and purposes of this Corporation; and
- (iv) Own their expirations and possess freedom of choice as to the placing of business and are under no obligation to place business with any company or group of companies.

A written application for voting membership together with applicable fees shall be presented to the Secretary of the corporation and thereafter presented to the Board of Directors for approval. The application may be accepted by a majority vote of the Board of Directors of this Corporation. Applicants for voting membership in this Corporation shall deposit with their application as dues for the balance of the calendar year the pro-rata percentage of the annual dues. Should the application be refused, the sum deposited shall be refunded. The term of all voting members whose applications have been approved by the Board of Directors shall be one (1) year, starting from the date on which the membership application was approved.

(c) Non-voting Members. The corporation may refer to persons of certain nonvoting classes or other persons or entities associated with it as "members," even though those persons or entities are not voting members as set forth in Section 4.1(b) of these Bylaws. No such reference shall constitute anyone as a member within the meaning of Corporations Code section 5056 unless that

person or entity shall have qualified for a voting membership under section 4.1(b) of these Bylaws. By amendment of these Bylaws, the corporation may grant some or all of the rights of a member of any class, as set forth in these Bylaws, to any person or entity that does not have the right to vote on any of the matters specified in Section 4.1(b) of these Bylaws, but no such person or entity shall be a member within the meaning of Corporations Code section 5056.

The non-voting class of membership of this Corporation shall include:

(i) Booster Members. Booster memberships are available to individuals, firms or corporations who are suppliers or vendors to the insurance industry and have paid dues shall be paid directly to the Corporation. Booster members may participate on the Board of Directors in a non-voting capacity, and shall be restricted to non-voting subcommittees designed to support Booster Member participation in the Corporation. Booster members may attend all fundraising and educational activities that support the mission of this Corporation.

(ii) Honorary Members. Honorary memberships may be accorded to individuals considered deserving by majority vote of the Board of Directors. Honorary membership shall stand for a period of one (1) calendar year. Honorary members shall incur no dues, shall have no vote and shall be eligible for voting membership pricing at all functions and events.

Section 4.2. Dues, Assessments and Indebtedness

All voting members and booster members (but not honorary members) must pay, within the time and on the conditions set by resolution of the Board, the dues, fees, and assessments in amounts to be fixed from time to time by the Board. The dues, fees, and assessments shall be equal for all members of each class, but the Board may, in its discretion, set different dues, fees, and assessments for each class.

(a) Dues. Membership dues shall be proposed annually by the Treasurer to the Board of Directors based upon the Treasurer's analysis of the Annual Budget for the upcoming fiscal year. The annual membership dues shall then be set by resolution of the Board of Directors. All dues are payable thirty (30) calendar days in advance of the member's annual renewal date.

(b) Delinquent. Members whose dues are delinquent for sixty (60) calendar days shall forfeit their membership and automatically be terminated as members, unless a stay of the time of delinquency is otherwise established by action of the Board of Directors.

(c) Assessment. In the event that the regular revenues of the Corporation prove insufficient to meet the needs of the Corporation, the deficit may be assessed by the Board of Directors against the members, either pro-rated in equal sums or in

graduated amounts, according to the number of members.

(d) **Indebtedness.** No indebtedness, other than necessary expenses and office supplies, shall be incurred by any member except by vote of the Board of Directors.

Section 4.3. Members in Good Standing

Those members who have been admitted as members by the Board of Directors, who have paid the required dues, fees, and assessments, who have not resigned and who have not been suspended or expelled shall be deemed members in good standing.

Section 4.4. Termination and Suspension of Membership

(a) **Termination of Membership.** A membership shall terminate on occurrence of any of the following events:

(i) Resignation of the member may be made on reasonable notice to the corporation, in writing to the Secretary and shall be accepted only upon majority vote of the Board of Directors present at any meeting.

(ii) Expiration of the one year (1) period of membership, unless the membership is renewed on renewal terms fixed by the Board.

(iii) Occurrence of any event that renders the member ineligible for membership, or failure to satisfy membership qualifications.

(iv) Failure of the member to pay dues, fees, or assessments as set by the Board within the period of time set by the Board after they become due and payable;

(v) Expulsion of the member pursuant to Section 4.4(c) of these Bylaws based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the corporation, or has engaged in conduct materially and seriously prejudicial to the corporation's purposes and interests.

(b) **Suspension of Membership.** A member may be suspended pursuant to the procedures set forth in Section 4.4(c) of these Bylaws based on the good faith determination by the Board, or a committee or person authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the corporation or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the corporation.

A person whose membership is suspended shall not be a member during the period of suspension.

(c) Procedure for Expulsion or Suspension of Membership. If grounds appear to exist for expelling or suspending a member under Sections 4.4(a)(v) or 4.4(b), the procedure set forth below shall be followed:

(i) The Board shall give the member at least fifteen (15) days prior notice of the proposed expulsion or suspension and the reasons for the proposed expulsion or suspension. Notice shall be given by any method reasonably calculated to provide actual notice. Notice given by mail shall be sent by first-class or registered mail to the member's last address as shown on the records of the corporation.

(ii) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed expulsion or suspension. The hearing shall be held, or the written statement considered, by the Board to determine whether the expulsion or suspension should take place. The Board shall make a recommendation as to whether expulsion, suspension or some other appropriate sanction is needed.

(iii) The Board shall decide whether the member should be suspended, expelled, or sanctioned in some other way. The decision of the Board, shall be final. Expulsion or suspension shall be finalized at any meeting of the Board upon affirmative vote of two-thirds of those present, provided that notice of the proposed suspension or termination shall be mailed to each Director at least fifteen (15) days prior to the date of said meeting.

(iv) Any action challenging a suspension or expulsion of membership, including a claim alleging defective notice, must be commenced within one year after the date of the suspension or expulsion.

(v) At all times the procedure followed for expulsion or suspension of membership must be fair and reasonable and performed in good faith.

(d) Effect of Termination or Suspension of Membership. Upon any member's termination, be it voluntary or involuntary, all dues paid by the member prior to the member's termination shall be deemed forfeited in full and the member shall not be entitled to a refund of any dues. Notwithstanding the foregoing, dues may be refunded to any terminated member by resolution of the Board.

Section 4.5. Transfer Of Memberships

A membership or any right arising from membership may be transferred to another person meeting the qualifications set forth in Section 4.1(b) of these Bylaws only on the approval of the Board. No member may transfer a membership or any

right arising from it for value. The Board may by resolution impose transfer fees or other conditions on the transferring party as it deems fit, provided those fees and conditions are the same for similarly situated members.

In the event that a voting member of this Corporation transfers business by inheritance, devise or purchase, an application may be made to the Board for transfer of membership from the retiring member to the applicant for membership. The Board shall have authority to refuse to transfer any membership in this Corporation by two-thirds vote of those present. In the event the Board refuses transfer, the balance of the member's dues will be returned pro-rata through the remainder of the calendar year.

Section 4.6. Meetings of Members

(a) Place of Meetings.

(i) Location of Meetings. Meetings of the members shall be held at any place within or outside California designated by the Board. In the absence of any such designation, members' meetings shall be held at the principal office of the corporation. The Board may authorize members who are not present in person to participate by telephone, electronic transmission or electronic video communication.

(ii) Authority for Electronic Meetings. If authorized by the Board in its sole discretion, and subject to the requirements of consent in Corporations Code section 20(b) and guidelines and procedures the Board may adopt, members not physically present in person at a meeting of members may, by electronic transmission by and to the corporation or by electronic video screen communication, participate in a meeting of members, be deemed present in person and vote at a meeting of members whether that meeting is to be held at a designated place or in whole or in part by means of electronic transmission by and to the corporation or by electronic video screen communication, subject to the requirements of these Bylaws.

(iii) Requirements for Electronic Meetings. A meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the corporation or by electronic video screen communication (1) if the corporation implements reasonable measures to provide members in person a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings, and (2) if any members votes or takes other action at the meeting by means of electronic transmission to the corporation or electronic video screen communication, a record of that vote or action is maintained by the corporation. Any request by a corporation to a member pursuant to Corporations Code section 20(b) for consent to conduct a meeting of members by electronic transmission by and to the corporation shall include a notice that absent consent of the members pursuant to Corporations Code section 20(b), the meeting shall be held at a physical location in accordance with section 4.6(a)(i)

of these Bylaws.

(b) Annual Meeting. An annual meeting of members shall be held in the month of December, at such time and place, as the Board may determine. Directors shall be elected at this meeting and any other proper business may be conducted at this meeting, subject to the notice requirements of Section 4.6(d)(ii) of these Bylaws.

(c) Special Meetings. A special meeting of the members may be called for any lawful purpose at any time by the Board, the President or by fifteen percent (15%) or more of the members. A special meeting called by any person entitled to call a special meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and addressed to the attention of and submitted to the Chair of the Board, if any, the President, any Vice President or the Secretary of the corporation. The officer receiving the request shall cause notice to be given promptly to all members entitled to vote, in accordance with Section 4.6(d) of these Bylaws, stating that a meeting will be held at a specified time and date fixed by the Board, provided, however, that the meeting date shall be at least thirty-five (35) but not more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after the request is received, the person or persons requesting the meeting may give the notice. Nothing in this section shall be construed as limiting, fixing, or affecting the time at which a meeting of members may be held when the meeting is called by the Board.

No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

(d) Notice Requirements for Members' Meetings.

(i) General Notice Requirements. Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given, in accordance with Section 4.6(d) of these Bylaws, to each member entitled to vote at the meeting. The notice shall specify the place, date, and hour of the meeting, and the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate in the meeting. For the annual meeting, the notice shall state the matters that the Board, at the time notice is given, intends to present for action by the member, but any proper matter may be presented at the meeting. For a special meeting, the notice shall state the general nature of the business to be transacted and shall state that no other business may be transacted. The notice of any meeting at which Directors are to be elected or written ballots distributed for the election of Directors shall include the names of all persons who are nominees when the notice or the ballot is given.

(ii) Notice of Certain Agenda Items. Approval by the members of any of the following proposes, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of

the proposal or proposals:

- a. Removing a Director without cause;
- b. Filing vacancies on the Board;
- c. Amending the Articles of Incorporation;
- d. Electing to wind up and dissolve the corporation
- e. Approving a contract or transaction between the corporation and one or more directors, or between the corporation and any entity in which a director has a material financial interest; or
- f. Approving a plan of distribution of assets, other than money, not in accordance with liquidation rights of any class or classes as specified in the articles or bylaws, when the corporation is in the process of winding up.

(iii) Manner of Giving Notice. Notice of any meeting of voting members shall be in writing and shall be given at least ten (10) days but not more than ninety (90) days before the meeting date. The notice shall be given either personally, by electronic transmission by the corporation in accordance with section 4.6(d)(iv) below, or by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote, at the address given by the member to the corporation for purposes of notice. If no address appears on the books of the corporation and no address has been so given, notice shall be deemed to have been given if either (1) notice is sent to that member by first-class mail or telegraphic or other written communication delivered to the principal office of the corporation or, (2) notice is published at least once in a newspaper of general circulation in the county in which the principal office is located.

(iv) Electronic Notice. Notice given by electronic transmission by the corporation shall be valid only if:

(1) Delivered by (a) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation; (b) posting on an electronic message board or network that the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered on the later of the posting or delivery of the separate notice of it; or (c) other means of electronic communication;

(2) To a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and

(3) That creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

Notwithstanding the foregoing,

(1) An electronic transmission by this corporation to a member is not authorized unless, in addition to satisfying the requirements of this section, the consent to the transmission has been preceded by or includes a clear written statement to the recipient as to (a) any right of the recipient to have the record provided or made available on paper in nonelectronic form, (b) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the corporation, and (c) the procedures the recipient must use to withdraw consent.

(2) Notice shall not be given by electronic transmission by the corporation after either of the following: (a) the corporation is unable to deliver two consecutive notices to the member by that means or (b) the inability so to deliver the notices to the member becomes known to the secretary, any assistant secretary, or any other person responsible for the giving of the notice.

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

(e) Quorum.

(i) Number Required. One-third (1/3) of the voting members, present in person, shall constitute a quorum for the transaction of business at any meeting of members.

(ii) 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 adjourned, even if enough members have withdrawn to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

(f) Adjournment and Notice of Adjourned Meetings. Any members' meeting, whether or not a quorum is present, may be adjourned from time to time by a vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than forty-five (45) days. When a members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, 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. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

(g) Voting.

(i) Eligibility to Vote. Subject to the provision of the California Nonprofit Mutual Benefit Corporation Law, the only persons entitled to vote at any meeting of members shall be voting members who are in good standing as of the record date determined pursuant to Section 4.8 of these Bylaws.

(ii) Manner of Casting Votes. Voting may be by voice or ballot, except that any election of Directors must be by ballot if demanded by any member at the meeting before the voting begins.

(iii) Number of Votes. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members. Cumulative voting shall not be permitted. Voting at the Annual or Special Meetings, must be in person, with one vote per member.

(iv) Approval by Majority Vote. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter, shall be deemed the act of the members unless the vote of a greater number, or voting by classes, is required by the California Nonprofit Mutual Benefit Corporation Law or by the Articles of Incorporation.

(h) Waiver of Notice or Consent by Absent Members.

(i) Written Waiver or Consent. The transactions of any meeting of members, however called or noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (1) a quorum is present either in person, and (2) either before or after the meeting, each member entitled to vote, 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. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section 4.6(d)(ii) of these Bylaws, then the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(ii) Waiver by Attendance. A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting, unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

Section 4.7. Action Without A Meeting

(a) Action by Unanimous Written Consent. Any action required or permitted to be taken by the members may be taken without a meeting, if all members consent in writing to the action. The written consent or consents shall be filed in the corporate minute book. Any actions taken by written consent shall have the same force and effect as the unanimous vote of the members.

(b) Action by Written Ballot Without a Meeting. Any action, except election of directors, that may be taken at any meeting of members may be taken without a meeting by written ballot complying with Sections 4.7(b)(i) and (ii) of these Bylaws.

(i) Solicitation of Written Ballots. The corporation shall distribute one written ballot to each member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner required by Section 4.6(d)(iii) of these Bylaws. All solicitations of votes by written ballot shall (1) indicate the number of responses needed to meet the quorum requirement; (2) with respect to ballots other than for election of Directors, state the percentage of approval necessary to pass the measure or measures; (3) with respect to ballots for election of Directors, state the name of each nominee; and (4) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (1) set forth the proposed action; (2) provide the members an opportunity to specify approval or disapproval of each proposal; and (3) provide a reasonable time within which to return the ballot to the corporation, specifying the address to which the ballot is to be sent. In any election of Directors, a written ballot which is marked by a member "withhold" or is otherwise marked in a manner indicating that authority to vote is withheld, shall not be voted.

(ii) Number of Votes and Approvals Required. Approval by written ballot shall be valid only when (1) the number of votes cast by ballot (including those ballots that are marked "withhold" or otherwise indicate that authority to vote is withheld) and received with the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot without a meeting.

(iii) Revocation. A written ballot may not be revoked.

(iv) Filing. All written ballots shall be filed with the Secretary of the corporation and maintained in the corporate records for a least one (1) year.

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**Section 4.8. Record Date For Notice, Voting,
Written Ballots, And Other Actions**

(a) Record Date Determined by Board. For purposes of determining which members are entitled to receive notice of a meeting, to vote, or to give consent to corporate action without a meeting, the Board of Directors may fix, in advance, a "record date," which shall not be more than sixty (60) nor fewer than ten (10) days before the date of any such meeting, nor more than sixty (60) days before any such action without a meeting. Only members of record on the date so fixed are entitled to notice, to vote, or to give consent, as the case may be, notwithstanding any transfer of any membership on the books of the corporation after the record date, except as otherwise provided in the Articles of Incorporation, by agreement, or in the California Nonprofit Mutual Benefit Corporation Law.

(b) Record Date For Actions Not Set By Board.

(i) Record Date For Notice Or Voting. If not otherwise fixed by the Board, the record date for determining members entitled (1) to receive notice of, or to vote at, a meeting of members shall be the next business day preceding the day on which notice is given or, if notice is waived, the business day preceding the day on which the meeting is held.

(ii) Record Date For Actions By Written Ballot. If not otherwise fixed by the Board, the record date for determining those members entitled to vote by written ballot shall be on the date on which the first written ballot is mailed or solicited.

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

(iv) Record Date For Other Actions. If not otherwise fixed by the Board, the record date for determining members entitled to exercise any rights with respect to any other lawful action shall be on the date on which the Board adopts the resolution relating to that action, or the sixtieth (60th) day before the date of that action, whichever is later.

(c) Definition of "Members of Record". For purposes of this Section 4.8, a person holding a voting membership at the close of business on the record date shall be a member of record.

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Section 4.9. Election Of Directors and Officers

(a) Nominations of Committee. The nominating committee shall make its report thirty (30) days before the date of the election or at such other time as the Board of Directors may set and the Secretary shall forward to each member, with the notice of meeting required by these Bylaws, a list of all candidates nominated by committee under this Section 4.10(a).

(b) Nominations by Members. Any voting Member may nominate candidates for Directors and officers within eleven (11) months preceding the next time Directors and officers are to be elected, and delivered to an officer of the corporation. On timely receipt of such nomination, the Secretary shall cause the names of the candidates named on it to be placed on the ballot along with the names of those candidates named by the nominating committee.

(c) Nominations From the Floor. If there is a meeting of members to elect Directors and officers, any member present at the meeting in person or by proxy may place names in nomination.

(d) Solicitation of Votes. The Board shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees.

(e) Use of Corporate Funds To Support Nominees. Without Board authorization, no corporate funds may be expended to support a nominee for Director or officer after more people have been nominated for Director or officer than can be elected.

ARTICLE V

DIRECTORS

Section 5.1. Powers

(a) General Corporate Powers. Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and any other applicable laws, and any limitations of the Articles of Incorporation and these Bylaws, the activities and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may exercise its powers through all permissible means including the approval of policies and resolutions and delegation of the management of the activities of the corporation. The Directors shall at all times endeavor to seek and consider the advice and counsel of experts in fields related to the purposes of the corporation, to the extent

that such experts are willing to volunteer their services to the corporation. Notwithstanding the preceding provisions, the Board of Directors shall at all times make their own independent business judgment decisions. Official action by the Board shall be considered as binding on the Corporation subject to veto power of the majority of the regulars members as provided in Article IV of these bylaws.

(b) Specific Powers. Without prejudice to these general powers, but subject to the same limitations, the Directors shall have the power to:

(i) Appoint and remove, at the pleasure of the Board, all agents and employees of the corporation; remove all officers of the corporation; prescribe powers and duties for officers that are consistent with law, with the Articles of Incorporation and with these Bylaws; and fix officer compensation, if any, and require from them security for faithful performance of their duties.

(ii) Change the principal office or the principal business office in the State of California from one location to another; cause the corporation to be qualified to conduct its activities in any other state, territory, dependency or country and conduct its activities within or outside the State of California; and designate any place within or outside the State of California for the holding of any meeting, including but not limited to annual meetings.

(iii) Adopt and use a corporate seal and alter the form thereof.

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

(v) Adopt, amend, or repeal rules not inconsistent with these Bylaws for the management of the internal affairs of the corporation and the governance of its Directors, officers, agents, committees, and employees.

(vi) Conduct affairs of this Corporation including the enforcement, interpretation and construction of the Corporation bylaws.

Section 5.2. Number Of Directors

The authorized number of directors shall be not less than four (4) nor more than fifteen (15), unless changed by an amendment of these Bylaws. The exact number of directors shall be determined from time to time by resolution of the Board of Directors. Subject to approval by the Board of Directors, the immediate past President of this Corporation shall serve as a Director for one (1) term following the end of his or her presidency.

Section 5.3. Election And Term Of Office Of Directors

The Directors shall hold office for a period of one (1) year following their election at the annual meeting of members, or until the election of their successors. The Directors shall take office on the first business day of January. Following the expiration of the original term of each Director so elected, his or her successor shall thereafter hold office for a term of one (1) year, or until the next annual meeting of members; provided, however, if any such meeting is not held or the Directors are not elected thereat, the Directors may be elected at any special member's meeting held for such purpose. Each Director, including a Director elected to fill a vacancy or elected at a special member's meeting, shall hold office until the expiration of the term for which elected, and until a successor has been elected and qualified. There is no limit to the number of consecutive one (1) year terms a Director may serve.

Section 5.4. Qualification Of Board Members

Any person who meets all the following criteria may be nominated or elected to serve as a Director. Directors need not be residents of the State of California. Directors must: 1) be 18 years of age or older, 2) be a voting members of this Corporation in good standing, 3) hold a valid and active property and casualty broker-agent license issued by the California Department of Insurance, and 4) the Director's voting membership must have been active for at least one (1) year prior to his or her assumption as a Director.

Section 5.5. Vacancies

(a) Events Causing Vacancy. A vacancy or vacancies on the Board shall exist on the occurrence of any of the following: (i) the death, removal, suspension or resignation of any Director; (ii) 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 or convicted of a felony or has been found by final order or judgment of any court to have breached a duty arising under Corporations Code Section 7238; (iii) the vote of the members or, if the corporation has fewer than 50 members, the vote of a majority of all members, to remove the Director(s); (iv) the increase of the authorized number of Directors; or (v) the failure of the members, at any meeting of members at which any Director or Directors are to be elected, to elect the number of Directors required to be elected at such meeting. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

(b) Resignation. Except as provided in this subsection, any Director may resign effective upon giving written notice to the President, the Chairperson of the Board, or the Secretary, unless such notice specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes

effective.

(c) Removal.

(i) Any Director may be removed, with or without cause, by the vote of the majority of the members at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given in accordance with Section 4.6(d) of these Bylaws. Any vacancy caused by the removal of a Director shall be filled as provided in this Section 5.5.

(ii) Any Director who does not attend two (2) consecutive Board meetings, with or without cause, or who fails attend three (3) out of five (5) meetings of the Board, may be removed from the Board without Board resolution unless:

(A) The Director requests a leave of absence for a limited period of time, and the leave is approved by the Board of Directors, the President, or the Chairperson of the Board. If such leave is granted, the number of Board members will be reduced by one in determining whether a quorum is or is not present;

(B) The Director suffers from an illness or disability that prevents him or her from attending meetings and the Board of Directors, the President, or the Chairperson of the Board waives the removal procedure of this subsection (ii); or

(C) The Board by resolution of the majority of the Board members then in office agrees to reinstate the Director who has missed the stated number of meetings.

(iii) Any Director may be removed for cause by a super majority (2/3) vote of the Board at any time, without the need for prior member approval.

(d) Suspension. Any member of the Board of the Corporation may be suspended for cause by vote of the majority of the Board. Prior to action by the Board the member shall be given five (5) days notice, in writing, of the charges proffered against them. The Board member may have an opportunity to be heard at the meeting of the Board to vote on suspension.

(e) Filling Vacancies. The members may elect a Director or Directors at any time to fill any vacancy or vacancies. Any vacancy on the Board not filled by the members may be filled for the unexpired term by appointment of the President subject to majority approval of the Board of Directors.

Section 5.6. Meetings of the Board of Directors

(a) Place of Board Meetings. Annual and regular meetings of the Board of Directors may be held at any place within or outside the State of California, as designated from time to time by resolution of the Board. In the absence of any such

designation, annual and regular meetings shall be held at the principal office of the corporation. Special meetings of the Board shall be held at any place within or outside of the State of California, as designated in the notice of meeting or, if not stated in the notice or if there is no notice, at the principal office of the corporation. Notwithstanding the above provisions of this Section 5.6(a), a meeting of the Board of Directors may be held at any place consented to in writing by all Board members, either before or after the meeting.

(b) Meetings by Telephone or Other Telecommunications Equipment.

Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or similar communications equipment, so long as all of the following apply:

(i) each Director participating in the meeting can communicate with all the other Board members concurrently; and

(ii) each Director is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation;

Participation in a meeting pursuant to this Section 5.6(b) shall constitute presence in person at such meeting.

Section 5.7. Annual and Regular Meetings

(a) Annual Meeting. Immediately after each annual meeting of members, the Board of Directors shall hold an annual meeting; provided, however, that the Board may fix another day for the holding of its annual meeting. Such meeting shall be held at the principal office of the corporation or at such other place as the Board of Directors may from time to time designate by resolution. Such meeting shall be held for the purpose of organization, electing officers of the corporation and transacting regular business. Notice of annual meetings shall be in accordance with Section 5.9 below.

(b) Regular Meetings. Regular meetings of the Board of Directors shall convene on a regularly scheduled basis, at least once each month, upon such days as voted by the Board.

Section 5.8. Special Meetings

Special meetings of the Board of Directors for any purpose may be called at any time by the President, or by one third (1/3) of the Directors then in office, to be held on such date and at such time and place as shall be designated in the notice of the meeting. Notice of special meetings shall be given with four (4) days written notice of such meeting or forty-eight (48) hours if notified by telephone, or through

other means of electronic communication, as new technology allows.

Section 5.9. Notice

(a) Manner of Giving Notice. Notice of any meeting of the Board of Directors may be given by first-class mail, personal delivery, telephone (either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director), facsimile, or electronic transmission in compliance with Section 14.2 below. All notices shall be given or sent to the Director's mailing address, telephone number, or email address as shown on the records of the corporation. Notice shall not be given by electronic transmission to a Director if the corporation is unable to deliver two consecutive notices to the Director by that means, or if the inability to deliver the notice becomes known to the Secretary or other person responsible for giving such notice. Notice of any meeting may be waived by any Director as set forth in Section 5.10.

(b) Time Requirements. Notice shall be deposited in the United States mails at least four (4) days in advance of the meeting if sent by first-class mail, and at least forty-eight (48) hours before the time set for the meeting if notice is given by personal delivery, telephone, facsimile, or electronic transmission.

(c) Contents of Notice. The notice shall state the time of the meeting, and the place if the place is other than the principal office of the corporation. It need not specify the purpose of the meeting.

Section 5.10. Waiver of Notice

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if:

(a) a quorum is present, and

(b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about lack of adequate notice.

Section 5.11. Quorum

Fifty percent (50%) of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section

5.12. Subject to the more stringent provisions of the California Nonprofit Mutual Benefit Corporation Law, including, without limitation, those provisions relating to (i) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (ii) creation of an appointment of committees of the Board and (iii) indemnification of Directors, every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the 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 that meeting.

Unless a provision of these Bylaws specifically states otherwise, any action may be taken by a majority of the Directors present at any meeting, provided that proper notice is given pursuant to Sections 5.9 or 5.10 above, and provided that a quorum is present. Alternatively, any action may be taken pursuant to Section 5.14 below.

Section 5.12. Adjournment

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

Section 5.13. Notice Of Adjournment

Notice of the time and place of holding an adjourned meeting need not be given, unless the original meeting is adjourned for more than twenty four (24) hours, in which case notice of adjournment to another time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment. This notice may be waived in the same manner as set forth under Section 5.10.

Section 5.14. Action Without Meeting

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

Section 5.15. Minutes Of Meetings

Minutes of the proceedings of the Board of Directors shall be taken at all meetings of the Board of Directors and kept in a book designated for that purpose. Rules and procedures for taking minutes may be adopted by the Board of Directors, provided that such rules do not conflict with these Bylaws.

Section 5.16. Compensation of Directors

The Board may authorize the advance or reimbursement of actual reasonable expenses incurred by a Director or member of a committee in carrying out his or her duties.

5.17. Director Voting

Each director shall have one vote on each matter presented to the Board of Directors for action. No Director may vote by proxy, either at a meeting of the Board of Directors or if the action is taken by unanimous written consent of the Board. Tie votes will be determined by the President of the Corporation according to Roberts Rules of Order.

ARTICLE VI

COMMITTEES

Section 6.1. Committees Of The Board Of Directors

The Board, by resolution adopted by a majority of the Directors then in office, provided that the number of Directors then in office constitutes a quorum, may create one or more committees of the Board, each consisting of two or more Directors, to serve at the pleasure of the Board. A "committee of the Board" is herein defined as a group of Directors that exercise a portion of the authority of the Board of Directors that the Board delegates to the committee. Committees of the Board shall be comprised strictly of Directors of the corporation (including but not limited to Directors that may be concurrently serving as officers of the corporation). Appointments of Directors to committees of the Board and appointments of Directors as chairs of committees of the Board shall be made by majority vote of the Directors then in office. Any member of any committee of the Board may be removed, with or without cause, at any time by resolution adopted by a majority of the Directors then in office. The Board may appoint one or more Directors as alternate members of any such committee of the Board, who may replace an absent member at any committee meeting.

The meetings and minutes of Board committees are governed by the same procedural rules governing the meetings and minutes of the Board, except that the time for regular meetings of such committees and the calling of special meetings thereof may be determined either by resolution of the Board or, if there is no Board resolution, by resolution of the committee of the Board. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws, or in the absence of rules adopted by the Board, the committee may adopt such rules.

Any such committee, to the extent provided in the resolution of the Board, shall have all or a portion of the authority of the Board, except that no committee, regardless of Board resolution, may:

- (a) Fill vacancies on the Board of Directors or on any committee;
- (b) Establish or fix compensation of the Directors for serving on the Board or on any committee;
- (c) Amend or repeal the Articles of Incorporation or Bylaws or adopt new Bylaws;
- (d) Amend or repeal any resolution of the Board;
- (e) Create any other committees of the Board or appoint the members of any committees of the Board;
- (f) Expend corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected; or

Section 6.2. Executive Committee

All of the current Officers and the immediate past President shall serve as the Executive Committee of the Board, provided that all such persons are also on the Board of Directors. The Executive Committee, unless limited by a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the corporation between meetings of the Board; provided, however, that the Executive Committee shall not have the authority of the Board in reference to those matters enumerated in Section 6.1(a) through (g), inclusive, above. All actions of the Executive Committee shall be reported to and ratified by the full Board at the next duly scheduled Board meeting.

The Executive Committee shall meet monthly prior to the monthly Board of Directors meeting.

ARTICLE VII

OFFICERS

Section 7.1. Officers

The corporation shall have the following officers: (i) President, (ii) Secretary, and (iii) Treasurer, who may from time to time be referred to as the Chief Financial Officer. The Board may designate other officers by resolution and appoint such officers pursuant to Section 7.3, including but not limited to Chair of the Board, who

shall be referred to as the Chairperson of the Board, and Vice President. All Officers shall serve for a term of one (1) year and shall take office on the first business day of January. Any officer may serve for an unlimited number of consecutive terms, except that the President may not serve consecutive terms unless authorized by the Board of Directors. Except for the Chairperson of the Board, officers need not be Directors. One person may hold two or more officer positions, except that the President or Chairperson of the Board may not serve concurrently as any other officer position. All candidates for an officer position must:

(a) be a voting member in good standing; and

(b) serve as a Director of the Corporation for a minimum of one (1) year prior to their election as an officer of the Corporation.

In addition, any person who is elected President must:

(a) hold another officer position (i.e., Vice President, Secretary, or Treasurer) for at least one (1) year prior to their election as President; and

(b) serve on the Board of Directors for at least one (1) year after completing a term as President.

Section 7.2. Election Of Officers

The officers of the corporation, except those appointed in accordance with the provisions of Section 7.3 below, shall be elected by a majority vote of the members of the corporation, and each shall serve at the pleasure of the members, subject to the rights, if any, of any officer under a contract of employment.

Section 7.3. Subordinate Officers

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

Section 7.4. Removal Of Officers

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by resolution of the Board of Directors or by majority vote of the members.

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Section 7.5. Resignation Of Officers

Any officer may resign at any time by giving written notice to the Board of Directors, the Chairperson of the Board, the President, or the Secretary of the corporation. Any resignation shall take effect at the date of receipt of that notice or at any later time specified in that notice. Unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

Section 7.6. Vacancies In Office

A vacancy occurring in any office because of death, resignation, removal or other cause, shall be filled from the Board for the unexpired term, by a majority vote of the Board.

Section 7.7. Responsibilities Of Officers

(a) Chairperson of the Board. The Chairperson of the Board of Directors (if elected) shall have the power and authority to conduct all meetings of the Board, whether regular, special or annual, and shall determine the priority of all matters considered at the meetings. If there is no President, the Chairperson of the Board shall also be the President and shall have the powers and duties of the President of the corporation prescribed by these Bylaws. The Chairperson of the Board shall exercise and perform such other powers and duties as may be prescribed by the Board or these Bylaws.

(b) President. Subject to the control and supervision of the Board, the President shall be the general manager of the corporation and shall generally supervise, direct and control the activities and affairs of the corporation and the officers of the corporation. The President shall preside at all members' meetings and at all meetings of the Board of Directors. The President shall be a member ex-officio of all committees. The President shall have the right to vote only in case of a tie and meetings of the Board of Directors. The President shall see that the Board is advised on all significant matters of the corporation's activities, and shall see that all orders and resolutions of the Board are carried into effect. The President shall be empowered to act, speak for, or otherwise represent the corporation between meetings of the Board within the boundaries of policies and purposes established by the Board and as set forth in the Articles of Incorporation and these Bylaws. Without limiting the generality of the foregoing, the President may sign, together with the Secretary or any other officer of the corporation, any deeds, mortgages, bonds, contracts, or other instruments authorized by the Board of Directors to be executed on behalf of the corporation, except in cases where the signing thereof is expressly delegated to another officer or agent of the corporation by the Board of Directors, or by these Bylaws, or by statute. The President or any other officer of the corporation

may not make any loans from the corporation, and no evidence of indebtedness shall be issued in the corporation's name, unless such loan or indebtedness is authorized by the Board of Directors. The President shall be responsible for keeping the Board informed at all times of staff performance as related to program objectives, and for implementing any personnel policies adopted by the Board. The President shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

(c) Vice President. The Vice President (if elected) shall serve as a subordinate officer and shall assist the President in the executive work of this corporation. In the absence or disability of the President, the Vice President shall perform all of the duties of the President, and, when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for them by the Board or these Bylaws.

(d) Secretary.

(i) Books of Minutes. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board of Directors may direct, a book of minutes of all meetings, proceedings, and actions of the Board, of committees of the Board, and of members' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, regular, or special, and, if special, how authorized; the notice given; the names of persons present at Board and committee meetings; and the number of members present or represented at members' meetings. The Secretary shall also keep, or cause to be kept, at the principal office in the State of California, a copy of the Articles of Incorporation and Bylaws, as amended to date. Secretary shall also maintain a complete and accurate record of the membership of the corporation, including their names, addresses and the class of membership held, as well as a record of the proceedings of all meetings of the membership.

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

(e) Treasurer.

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

(ii) Deposit and Disbursement of Money and Valuables. The Chief Financial Officer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board, shall disburse the funds of the corporation as may be ordered by the Board, shall render to the President or Chairperson of the Board, when requested, an account of all financial transactions and of the financial condition of the corporation, and shall have other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

(iii) Bond. If required by the Board of Directors, the Chief Financial Officer shall give the corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his or her office and for restoration to the corporation of all its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Chief Financial Officer upon his or her death, resignation, retirement or removal from office.

(iii) Funds: The Secretary shall handle the funds of the Corporation as directed by the Board. All checks for the withdrawal of funds must be signed by two (2) Officers excepting those of a value of \$150.00 or less which shall require the signature of only one (1) Officer.

ARTICLE VIII

RECORDS AND REPORTS

Section 8.1. Maintenance Of Articles And Bylaws

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

Section 8.2. Maintenance Of Other Corporate Records

The corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Minutes in written form of the proceedings of the Board.

(c) If applicable, a record of its members, giving their names and addresses and the class of membership held.

The accounting books, records, and minutes of the proceedings of the Board of Directors and any committee(s) of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal office of the corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept in either written or typed form or in any other form capable of being converted into written, typed, or printed form.

Section 8.3. Inspection Rights

(a) Inspection by Voting Members. Unless the corporation provides a reasonable alternative as provided below, any voting member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

(i) Inspect and copy the records containing members' names, addresses, and voting rights during usual business hours on five (5) days' prior written demand on the corporation, which must state the purpose for which the inspection rights are requested; or

(ii) Obtain from the Secretary of the corporation, on written demand and tender of a reasonable charge, a list of names, addresses and voting rights of members who are entitled to vote for Directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the member. The demand shall state the purpose for which the list is requested. The Secretary shall make this list available to the member on or before the later of ten (10) days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled.

The corporation may, within ten (10) business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons the proposed alternative does not meet the proper purpose of the demand.

If the corporation reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this Section, it may deny the member access to the membership list.

Any inspection and copying under this Section may be made in person or by

the member's agent or attorney. The right of inspection includes the right to copy and make extracts. The right of inspection extends to the records of any subsidiary of the corporation.

(b) Accounting Records and Minutes. On written demand presented to the corporation, any voting member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the members, the Board, and committees of the Board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. Any right of inspection extends to the records of any subsidiary of the corporation.

(c) Inspection by Directors. Every acting Director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation and the records of each of its subsidiary corporations, provided that such Director shall not have the right to inspect those books, records, or documents made privileged or confidential by law. This inspection by a Director may be made in person or by an agent or attorney of the Director, and the right of inspection includes the right to copy and make extracts of documents. All such information shall be retained as strictly confidential and shall not be released to anyone without the prior written consent of the Board of Directors.

Section 8.4. Annual Report

Not later than one hundred twenty (120) days after the close of the fiscal year of the corporation, the Board shall furnish or cause to be furnished a written annual report to all Directors and members. Such report may be furnished to the members and Directors by electronic transmission in accordance with Section 14.2 of these Bylaws, and shall contain the following information in reasonable detail:

(a) A balance sheet as of the end of that fiscal year and an income statement and a statement of cash flows for that fiscal year.

(b) A statement of the place where the names and addresses of the current members are located.

(c) Any information required by Section 8322 of the California Corporations Code.

(d) Any information required by Section 8.5 of these Bylaws; and

This requirement of an annual report shall not apply if the corporation receives less than \$10,000 in gross receipts during the fiscal year. This corporation shall annually notify each member of the member's right to receive a copy of the financial report under this Section.

Section 8.5 Annual Statement of Certain Transactions and Indemnifications

As part of the annual report to all members, or as a separate document if no annual report is issued, the corporation shall annually prepare and mail or deliver to each member and furnish to each Director a statement of any transaction or indemnification of the following kind within one hundred twenty (120) days after the end of the fiscal year of the corporation:

(a) Unless approved by members under Corporations Code Section 7233(a), any transaction (a) to which the corporation, its parent, or its subsidiary was a party, (b) which involved more than \$50,000 or was on of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and (c) in which either of the following interested persons had a direct or indirect material financial interest 9a mere common directorship is not a material financial interest):

(i) Any director or officer of the corporation, its parent, or its subsidiary;
or

(ii) Any holder of more than ten percent (10%) of the voting power of the corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest or the partnership need be stated.

(b) Any indemnifications or advances aggregating more than ten thousand dollars (\$10,000.00) paid during the fiscal year to any officer or Director of the corporation under Section 9.1 of these Bylaws, unless that indemnification has already been approved by the members under Corporations Code section 5034, or the loan or guarantee is not subject to Corporations Code section 7235(a).

ARTICLE IX

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 9.1. Right To Indemnification

(a) Right of Indemnity. To the full extent permitted by law, this corporation shall indemnify its Directors, officers, employees and other persons described in Section 7237(a) of the California Corporation Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any

"proceeding", as that term is used in such Section and including any action by or in the right of the corporation, by reason of the fact that such person is or was a person described by such Section. "Expenses", as used in these Bylaws, shall have the same meaning as in Section 5238(a) of the California Corporation Code.

(b) Approval of Indemnity. Upon written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporation Code, the Board shall promptly determine in accordance with Section 7237(e) of the Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought is such as to prevent the formation of a quorum of Directors who are not parties to such proceeding, the Board shall promptly call a meeting of members. At that meeting, the members shall determine under Corporations Code Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

(c) Advancement of Expenses. To the full extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the corporation prior to the final disposition of the proceeding upon receipt by the corporation of an undertaking by or on behalf of such person that the advance will be repaid unless it is ultimately determined that such person is entitled to be indemnified by the corporation therefor.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled, and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

Section 9.2. Insurance

The corporation shall have the power and shall use its best efforts to purchase and maintain insurance to the full extent permitted by law on behalf of any Director, officer, employee, or agent of the corporation, against any liability asserted against or incurred by an officer, Director, employee or agent in any such capacity or arising out of the officer's, Director's, employee's or agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under Section 9.1 above; provided, however, that the corporation shall have no power to purchase and maintain such insurance to indemnify any Director, officer, employee or agent of the corporation for any self-dealing transaction, as described in Corporations Code Section 5233.

ARTICLE X

CONTRACTS AND LOANS WITH DIRECTORS AND OFFICERS

Section 10.1 Contracts With Directors And Officers

No Director or officer of this corporation, nor any other corporation, firm, association, or other entity in which one or more of this corporation's Directors or officers are Directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this corporation, unless:

(i) the material facts regarding such Director's or officer's financial interest in such contract or transaction and/or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all members of the Board of Directors prior to consideration by the Board of such contract or transaction; and

(ii) such contract or transaction is authorized in good faith by a majority of the Board of Directors then in office by a vote sufficient for that purpose without counting the vote or votes of such interested Director(s).

Section 10.2 Loans To Directors And Officers

This corporation shall not lend any money or property to, or guarantee the obligation of, any director or officer or the corporation unless (1) the board decides that the loan or guaranty may reasonably be expected to benefit the corporation, and (2) before consummating the transaction or any part of it, the loan or guaranty is approved by either the members, without counting the vote of the director or officer, if a member, or the vote of a majority of the directors then in office, without counting the vote of the director who is to receive the loan or guaranty.

ARTICLE XI

FISCAL YEAR

The fiscal year of the corporation shall begin on January 1 and end on December 31, unless otherwise determined by resolution of the Board of Directors.

ARTICLE XII

BYLAWS

Section 12.1. Adoption or Amendment By Members

New Bylaws may be adopted or these Bylaws may be amended or repealed

by approval of the voting members, by the affirmative vote of the holders of a majority of such memberships issued and outstanding, at any meeting, or after said meeting, provided the substance of the proposed amendment shall have been state in the notice of the meeting given in accordance with Section 4.6 of these bylaws.

The term "majority," as used in this section, is as defined in the California Nonprofit Corporation Law.

Section 12.2. Amendment By Board of Directors

Subject to the right of members under Section 12.1 above, Bylaws may be adopted, amended, or repealed by the Board of Directors by a majority vote of the directors present at a meeting at which quorum is present, unless doing so would:

- (a) materially and adversely affect the members' rights as to voting, dissolution, redemption, or transfer,
- (b) increase or decrease the number of members authorized in total or for any class,
- (c) effect an exchange, reclassification, or cancellation of all or part of the memberships; or
- (d) authorize a new class of membership.

The following types of bylaw changes require membership approval:

- (a) changing from a variable to a fixed number of directors,
- (b) increasing the length of director's term,
- (c) providing for the selection of directors by designation,
- (d) changing the number necessary for a quorum at membership meetings,
- (e) creating or changing proxy rights.

ARTICLE XIV

CONSTRUCTION AND DEFINITIONS

Section 14.1 Construction and Definitions

Unless the context otherwise requires, the general provisions, rules of construction and definitions in the California Nonprofit Corporation Law shall govern

the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular includes the plural and the plural includes the singular, and the term "person" includes both a legal entity and a natural person. For the purpose of these Bylaws, "Board of Directors" or "Board" refers to the Board of Directors of the corporation, unless otherwise specifically indicated.

Section 14.2 Electronic Transmission

Subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms "written", and "in writing" as used in these Bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means and may include electronic transmission, such as facsimile or email, provided:

(i) for electronic transmission from the corporation, the corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication;

(ii) for electronic transmission to the corporation, the corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and

(iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into that clearly legible tangible form.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of INSURANCE BROKERS AND AGENTS OF THE SAN FERNANDO VALLEY, a California nonprofit mutual benefit corporation, and do hereby certify:

That the foregoing Bylaws consisting of 33 pages were approved of by a majority of the voting members and Directors of the corporation at a meeting of the voting members held on December 9, 2014, and the same constitute the Bylaws of said corporation effective as of January 1, 2015.

Executed on _____, at Los Angeles, California.

[Signature of Secretary]

[PRINT NAME], Secretary