



**Pacific Sands Cabana Club**  
**BYLAWS**  
A California Non-profit Corporation

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**Article I. Name**

The name of this corporation is Pacific Sands Cabana Club

**Article II. Governing Document**

Articles of Incorporation, dated June 12<sup>th</sup>, 1962 and Certificate of Amendment dated July 23<sup>rd</sup>, 1962.

**Article III. Offices**

**Section 1. Principal Office**

The principal office for the transaction of the activities and affairs of the corporation ("principal office") is located at 8141 Atlanta Avenue, Huntington Beach, California 92646, Orange County, California. The directors may change the location of the principal office at any time. The secretary on these bylaws shall note any change of this location and this section shall be amended to state the new location.

**Article IV. Purposes and Objectives**

**Section 1. Non-profit Corporation**

This corporation is a non-profit public corporation and is not organized for the private gain of any person. It is organized under the Non-profit Public Benefit Law for instructional and charitable purposes. The primary purpose of this corporation is to provide athletic, recreational, and club facilities for the use of its members and their guest. The Corporation does not contemplate pecuniary gain or profit to the members thereof.

**Section 2. Tax-Exempt Status**

This corporation is organized exclusively for charitable and educational purposes and for the purpose of fostering amateur sports education, instructions, and competition.

**Article V. Nonpartisan Activities**

This corporation has been formed under the California Non-profit Public Benefit Corporation Law for the public purposes described above and it shall be non-profit and non-partisan. No substantial part of the activities of the corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation. The corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office or for or against any cause or measure being submitted to the people for a vote.

The corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above.

**Article VI. Dedication of Assets**

The properties and assets of this non profit corporation are irrevocably dedicated to charitable purposes. No part of the net earnings, properties or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual or any member or director of this corporation. On liquidation or dissolution, all properties and assets and obligations shall be distributed and paid over to an organization to be selected by the Board of Directors and shall be dedicated to charitable purposes, provided that the organization continues to be dedicated to the exempt purposes as specified in Internal Revenue Code 501(c) 3 or 7.

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In no event and at no time shall any profits or assets of this Corporation be distributed to any members hereof and no part of the net earnings of this Corporation shall inure to the benefit of any private a shareholder or individual.

### Article VII. Membership

#### Section 1. Number and Qualifications of Members

The number and qualifications of members of this corporation shall be determined by the Board of Directors.

- A) There shall be one class of membership in this corporation consisting of:
- (i) The parents or legal guardians of and living with minor children who participate in activities conducted by the corporation,
  - (ii) minor children who participate in activities conducted by the corporation.
- B) No person may hold more than one membership or a fractional membership. The right of members to vote shall be determined as provided in Article VIII, Section 7(A)

#### Section 2. Transfer of Memberships

No member of this Corporation may transfer for value a membership or any right arising from such membership. All rights of membership cease upon a member's death.

#### Section 3. Fees, Dues and Assessments

Each member must pay, as determined by and within the time and on the conditions set by, the board of directors, an initiation fee, if any, and monthly and/or annual dues and assessments to be determined and in amounts to be fixed from time to time by the board of directors. These fees, dues, and assessments shall be levied in equal shares to the members.

#### Section 4. Rights of Members

Each member and his or her immediate family residing with the member shall have the privilege of using the recreational facilities of the Corporation, subject to its rules and regulations.

#### Section 5. Termination of Membership

- C) Causes of termination. The membership of a member shall terminate upon occurrence of any of the following events:
- (i) The resignation of the member,
  - (ii) the failure of the member to pay dues or assessments, if required, within the times set forth by the board of directors,
  - (iii) the determination by the board of directors or a committee designated to make such 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 interests and purposes of the corporation.

The Board's action of cancellation for continued misbehavior, if appealed, must be done so in writing within thirty (30) days of such cancellation of membership and must be approved by at least a majority of the present membership fifty-one percent (51%) prior to such cancellation becoming effective.

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### Section 6. Resignation

Any member may resign at any time by giving written notice to the Board of Directors. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

## Article VIII. Meetings of Members

### Section 1. Place of Meetings

Meetings of the membership shall be held at any place within the State of California as designated by the board of directors. In the absence of any such designation, members' meetings shall be held at the principal office of the corporation.

### Section 2. Annual Meeting

The annual meeting of members shall be held on the 1st Wednesday in November in each year, unless the board of directors fixes another date and so notifies the members as provided in Article VII, Section 4. If the scheduled date falls upon a legal holiday, the meeting shall be held on the next business day.

### Section 3. Special Meeting

- A) Authorized persons who may call. A special meeting of the members for any lawful purpose may be called at any time by any of the following: the board of directors, the chairman of the board, the president, or five percent or more of the members.
- B) Calling meetings by members. If a special meeting is called by members other than the board of directors, the request shall be submitted by such members in writing, specifying the general nature of the business proposed to be transacted and shall be delivered personally or sent by registered mail or by email or other facsimile transmission to the president, any vice president or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the members entitled to vote, in accordance with the provisions of Section 4, that a meeting will be held and the date for such meeting, which date shall be not less than 10 nor more than 90 days following the receipt of the request. If the notice is not given within 20 days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing or affecting the time when a meeting of members may be held when the meeting is called by action of the board of directors.

### Section 4. Notice of Members' Meetings

- A) General notice contents. All notices of meetings of members shall be sent or otherwise given in accordance with Section 4(c) not less than 10 nor more than 90 days before the date of this meeting. The notice shall specify the place, date and hour of the meeting and:
  - (i) in the case of a special meeting, the general nature of the business to be transacted and no other business may in that case be transacted, or
  - (ii) in the case of the annual meeting, those matters which the board of directors, at the time of giving the notice, intends to present for action by the members.
- B) Notice of certain agenda items. If action is proposed to be taken at any meeting for approval of any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s):
  - (i) removing a director without cause;
  - (ii) filling vacancies on the board of directors by the members;

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- (iii) terminating the contract of the head coach;
  - (iv) amending the Articles of Incorporation; or
  - (v) voluntarily dissolving the corporation.
- C) Manner of giving notice. Notice of any meeting of members shall be given either personally or by first class mail, telegraphic or other written communication, charges prepaid, addressed to each member either at the address of that member appearing on the books of the corporation or the address given by the member to the corporation for the purpose of notice. If no address appears on the corporation's books and no address has been so given, notice shall be deemed to have been given if either:
- (i) notice is sent to that member by first class mail or telegraphic or other written communication to the corporation's principal office, or
  - (ii) notice is published at least once in a newspaper of general circulation in the county where that office is located.
- D) Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.
- E) Affidavit of mailing notice. An affidavit of the mailing or other means of giving any notice of any members' meeting may be executed by the secretary of the corporation giving the notice and, if so executed, shall be filed and maintained in the minutes book of the corporation.

### Section 5. Quorum

- A) Percentage required. Fifteen percent (15%) of the voting members shall constitute a quorum for the transaction of business at a meeting of the members.
- B) Loss of quorum. The voting members present at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough voting members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the voting members required to constitute a quorum.

### Section 6. Adjourned Meeting

Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the voting members represented at the meeting, either in person or by proxy; provided, however, that in the absence of a quorum, no other business may be transacted at that meeting, except as provided in this Article VII. No notice need be given of the adjourned meeting if the time and place are announced at the meeting to be adjourned.

If no notice is given at the original adjourned meeting and such meeting is adjourned for thirty (30) days or more, a new notice of the meeting shall be given as in the case of the original meeting.

### Section 7. Voting

In all matters presented for a vote of the members, each member family in good standing shall be entitled to one vote. Every family entitled to vote shall have the right to vote in person or by Absentee ballot.

- A) Eligibility to vote. There shall only be one vote per household for voting members. Such vote shall only be exercised by an adult and, in the event such adults fail to agree how such vote should be cast, then the vote shall be disallowed.
- B) Manner of casting votes. Voting may be by voice or ballot, if member decides to vocalize ballot, the member must follow-up in writing within 48 hours. Failure to provide written validation, shall disallow the members vote. Any election of directors may be by ballot only if demanded by

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fifteen-percent (15%) of the voting membership. The secretary must receive this request no later than fourteen (14) days before the election date.

- C) Only majority of voting members represented at meeting required, unless otherwise specified. If a quorum is present, the affirmative vote of the majority of the voting members represented by the meeting entitled to vote and voting on any matter, shall be the act of the members,
  - (i) other than the improvement of or the acquisition real property shall require a majority approval of the participating members of the Association.

### **Section 8. Waiver of Notice or Consent by Absent Voting Members**

- A) Written waiver or consent. The transaction of any meeting of members, either annual or special, 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 a quorum be present in person or by proxy and, if either before or after the meeting, each member entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in under this article, Section 4(b). The waiver of notice or consent 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.
- B) Waiver by attendance. Attendance by a voting member at a meeting shall constitute a waiver of notice of that meeting, except when the voting member objects at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. In addition, attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting, if that objection is expressly made at the meeting.

### **Section 9. Action by Written Consent without a Meeting**

- A) General. Any action that may be taken at any annual or special meeting of members may be taken without a meeting and without prior notice upon compliance with the provisions of this section.
  - B) Solicitation of written ballots. The corporation shall distribute one written ballot to each voting member entitled to vote; such ballots shall be mailed or delivered in the manner required by Section 4.0 for giving notice of special meetings. All solicitations of votes by ballot shall:
    - (i) indicate the number of responses needed to meet the quorum requirement;
    - (ii) with respect to ballots other than for the election of directors, state the percentage of approvals necessary to pass the measure(s); and
    - (iii) specify the time by which the ballot must be received in order to be counted.
  - C) Each ballot so distributed shall: (1) set forth the proposed action; and (2) provide the voting members an opportunity to specify approval or disapproval of each proposal, if more than one proposal is set forth.
  - D) Quorum; majority. Approval by written ballot pursuant to this section shall be valid only when the number of votes cast by ballot within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot.
  - E) Revocation. No written ballot may be revoked after delivery to the corporation or deposit in the mails, whichever first occurs.
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- F) Filing. All such written ballots shall be filed with the secretary of the corporation and maintained in the corporate records.

### **Section 10. Member Notice, Voting, Giving Consents and Other Actions**

- A) To be determined by board of directors. For the purposes of determining which members are entitled to vote or to take any other action, the board of directors may fix in advance a record date, which shall not be more than 60 nor fewer than 10 days before the date of any such meeting. For determining which members are entitled to receive notice of any meeting, the record date shall not be more than 90 nor fewer than 10 days before the date of any such meeting. Only members of record on the date so fixed are entitled to notice, to vote, or to take other action, 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 Non profit Corporation Law.
- B) Failure of board to determine date.
- (i) Record date for notices or voting. Unless fixed by the board of directors, the record date for determining those members entitled to receive notice of a meeting of members shall be the next business day preceding the day on which notice is given or, if notice is waived, the next business day preceding the day on which the meeting is held. Unless fixed by the board of directors, the record date for determining those members entitled to vote at a meeting of members shall be the date of the meeting.
  - (ii) Record date for written consent to take action without meeting. Unless fixed by the board, the record date for determining those members entitled to vote by ballot 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 ballot is mailed or solicited. When prior action of the board has been taken, it shall be the day on which the board adopts the resolution relating to the action.
  - (iii) Record date for other actions. Unless fixed by the board, the record date for determining those members entitled to take any other action shall be the date the board adopts the resolutions relating thereto, or the 60th day prior to the date of such other action, whichever is later.
  - (iv) Record date means as of close of business. For purposes of this subsection (b), an organization, association or agency holding membership as of the close of business on the record date shall be deemed the member of record.

### **Section 11. Proxies**

- A) Right of voting members. Any voting member may authorize another person or persons to act by proxy with respect to his or her membership. Such proxy shall be signed by the voting member and filed with the secretary of the corporation or electronically emailed to the secretary or acting board member(s). A proxy shall be deemed signed if the voting member's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the member.
- B) Revocability. A validly executed proxy shall continue in full force and effect unless:
- (i) revoked by the voting member executing it, before the vote cast pursuant to that proxy, by a writing delivered to the corporation stating that the proxy is revoked by a subsequent proxy executed by such voting member or by personal attendance and voting at a meeting by such voting member or
  - (ii) written notice of the death or incapacity of the maker of the proxy is received by the corporation before the vote pursuant to the proxy is counted, provided, however, that no proxy shall be valid after the expiration of 11 months from the date of the proxy, unless otherwise provided in the proxy.
- C) Form of solicited proxies. In any election of directors, any form of proxy that is marked by a voting member "withhold", or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld, shall not be voted either for or against the election of a director. If the corporation has 100 or more voting members and solicits proxies from 10 or more

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of them regarding more than one proposal to be submitted to a vote of the members, it shall afford an opportunity on the proxy to specify approval or disapprove of each matter (or related group of matters) intended to be acted upon at the meeting for which the proxy is solicited and shall provide that when the voting member specifies a choice with respect to any such matter the vote shall be cast in accordance therewith. Failure to comply with this paragraph shall not invalidate any corporate election taken but may be the basis for challenging the proxy at a meeting.

### **Article IX. Number and Composition of Board of Directors**

The board of directors of the corporation shall consist of five (5) elected directors all of whom must be members in good standing of the corporation. Additionally, the acting president or his designee of the Tennis and Swim Boards shall also serve as associate directors of the Corporations Governing Board.

### **Article X. Election of Directors**

#### **Section 1. Nominations and Solicitations for Votes**

- A) Nominating committee. The president shall appoint a committee from the voting members to select qualified candidates for election to the board of directors at least two months before the date of any election of directors. The nominating committee shall make its report at least 30 days before the date of the election and the secretary shall forward to each member, with the notice of meeting required by Article VII, Section 4, a list of candidates nominated. The nominating committee shall not include any persons who are then serving as officers or directors of the corporation.
- B) Nominations by voting members. Voting members representing 5% of the voting membership may nominate candidates for directorships by filing a petition with an officer of the corporation at any time before the second day preceding such election. On timely receipt of a petition signed by the required number of voting members, the secretary shall cause the names of the candidates named on it to be placed on the ballot along with those candidates named by the nominating committee.
- C) Nominations from the floor. If there is a meeting to elect directors, any voting member present at the meeting, in person or by proxy, may place names in nomination.
- D) Mailing election material. On written request by any nominee for election to the board and accompanying payment of the reasonable costs of mailing (including postage), the corporation shall, within 10 business days after the request (provided payment has been made), mail to all voting members or such portion of them as the nominee may reasonably specify, any material that the nominee may furnish and that is reasonably related to the election, unless the corporation within five business days after the request allows the nominee, at the corporation's option, the right to do either of the following:
  - (i) inspect and copy the record of all the voting members' names addresses, and voting rights, at reasonable times, on five business days prior to written demand on the corporation, which demand shall state the purpose for which the inspection rights are requested; or
  - (ii) obtain from the chairman 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 a date specified by the member subsequent to the date of demand. The membership list shall be made available on or before the later of 10 business days after the demand is received or after the date specified in it as the date by which the list is to be compiled.
- E) Use of corporate funds to support nominee. No corporate funds may be expended to support a nominee for director.

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### Section 2. Vote Required to Elect Director

Candidates receiving the highest number of votes shall be elected as directors.

## Article XI. Directors

### Section 1. Powers

- A) General corporate powers. Subject to the provisions of the California Non profit Corporation Law and any limitations in the Articles of Incorporation and these bylaws relating to action required to be proved by the members, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by the Board of Directors.
- B) Specific powers. Without prejudice to these general powers, and subject to the same limitations, the directors shall have the power to:
  - (i) select all officers, agents and employees of the corporation; remove all officers, agents and employees of the corporation and prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation and with these bylaws;
  - (ii) to make such rules and regulations as they may deem necessary to protect the Corporation.
  - (iii) change the principal office or the principal business office in the State of California from one location to another and designate any place within the State of California for the holding of any members' meeting or meetings, including annual meetings;
  - (iv) adopt, make and use a corporate seal and, where appropriate, alter the form of the seal;
  - (v) develop an annual budget and borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation and other evidences of debt and securities.
  - (vi) To fix and levy dues and assessments upon the members of the Corporation; to determine the due date for payment of such dues and assessments; to suspend, upon such terms and conditions as the Directors shall in their absolute discretion determine, membership privileges for non-payment of such dues and assessments provided, however,
  - (vii) that such dues and assessments shall be levied only to provide for any of the purposes of the Corporation and provided further that no dues or assessments shall be levied to provide funds for the acquisition or improvement of real property unless such acquisition or improvement shall first have been approved by the vote as per the requirements as set forth under Article VIII, Section 7, Subsection C.

### Section 2. Election and Term of Office of Directors

- C) Directors shall be elected at the first meeting of the members of the corporation and shall hold office for two (2) years. However, that if any annual meeting is not held or the directors are not elected thereat, they may be elected at any special members' meeting held for that purpose. Each such director, including a director elected to fill a vacancy or elected at a special members' meeting, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified.
- D) In even numbered years, two (2) Directors shall be elected to serve a two year term, and in odd numbered years, three (3) Directors shall be elected to serve a two year term.

### Section 3. Nomination of Perspective Directors

- A) On or before September 15 of each year, the President of the PACIFIC SANDS CABANA CLUB shall name from the membership at large five (5) members to serve as a Nominating Committee, one of whom shall also be designated as Chairman of the Nominating Committee.

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- B) The Nominating Committee shall present a slate of qualified and willing director applicants of no less than twice the number of positions available, if possible.
- C) The chairman of the Nominating Committee must make the nomination of the slate from the floor at the annual meeting. Said Chairman shall cause written notice of the names of the nominees to be posted on the clubhouse bulletin board for a period of at least ten (10) days preceding the annual meeting. Upon completion of these duties the Nominating Committee is automatically dissolved.

### Section 4. Vacancies

- A) Events causing vacancy. A vacancy or vacancies in the board of directors shall be deemed to exist on the occurrence of the following:
  - (i) the death, resignation or removal of any director;
  - (ii) the declaration by resolution of the board of directors of a vacancy of 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 under Sections 5230 and following of the California Non profit Corporation Law;
  - (iii) the vote of the voting members or, if the corporation has fewer than 100 voting members, the vote of a majority of the voting members, to remove a director; provided, however, that no director who was designated as such, rather than elected by the voting members, may be removed without the written consent of the person or persons who designated such director;
  - (iv) the increase of the authorized number of directors;
  - (v) the failure of the voting members at any meeting of members at which any director or directors are to be elected to elect the number of directors to be elected at such meeting.
- B) Resignations. Except as provided in this paragraph, any director may resign, which resignation shall be effective on giving written notice to the chairman, the president, the secretary or the board of directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the board of directors may elect a successor to take office as of the date when the resignation becomes effective. No director may resign when the corporation would then be left without a duly elected director or directors in charge of its affairs.
- C) Vacancies filled by directors or members. Except for a vacancy created by the removal of a director, vacancies on the board of directors may be filled by a majority of directors then in office or by a sole remaining director. The voting members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors and vacancies created by the removal of a director but any such election by written consent shall require the consent of a majority of the voting power.
- D) No vacancy on reduction of number of directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.
- E) Restriction on interested directors. Not more than 49% of the persons serving on the board of directors at any time may be interested persons. An interested person is:
  - (i) any person being compensated by the corporation for services rendered to it within the previous 12 months, whether as a full time or part time employee, independent contractor or otherwise, excluding any reasonable compensation paid to a director as director and
  - (ii) any brother, sister, ancestor, descendant, spouse, brother in law, sister in law, son in law, daughter in law, mother in law or father in law of any such person.

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However, any violation of this section shall not affect the validity or enforceability of any transaction entered into by the corporation.

- F) Restriction on related directors. No director shall be related to any other director by marriage or otherwise. However, any violation of this section shall not affect the validity or enforceability of any transaction entered into by the corporation.

### **Section 5. Place of Meetings; Meetings by Telephone**

Regular meetings of the board of directors may be held at any place within the State of California that has been designated from time to time by resolution of the board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation. Special meetings of the board shall be held at any place within the State of California that has been designated in the notice of the 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 Article XI, Section 4, a regular or special meeting of the board of directors may be held at any place consented to in writing by all the board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another and all such directors shall be deemed to be present in person at such meeting.

### **Section 6. Annual Meeting**

Immediately following each annual meeting of members, the board of directors shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business, notice of this meeting shall not be required.

### **Section 7. Other Regular Meetings**

Other regular meetings of the board of directors shall be held without call at such time as shall from time to time be fixed by the board of directors. Such regular meetings may be held without notice.

### **Section 8. Special Meetings**

- A) Authority to call. Special meetings of the board of directors for any purpose may be called at any time by the chairman of the board or the president, the vice president, the secretary or any two directors.

B) Notice

- (i) Manner of giving. Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery of written notice; (b) by first class mail, postage paid; (c) by telephone communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the corporation.
- (ii) Time requirements. Notices sent by first class mail shall be deposited into a United States mail box at least four days before the time set for the meeting. Notices given by personal delivery, telephone or telegraph shall be delivered, telephoned or given to the telegraph company at least 48 hours before the time set for the meeting.
- (iii) Notice contents. The notice shall state the time and place for the meeting. However, it need not specify the purpose of meeting, or the place of the meeting, if it is to be held at the principal office of the corporation.

### **Section 9. Quorum**

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Article XI, Section 10. Every act or decision done or made

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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 of directors.

- A) approval of contracts or transactions in which a director has a direct or indirect material financial interest,
- B) appointment of committees, and
- C) indemnification of directors.

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.

### **Section 10. Waiver of Notice**

The transactions of any meeting of the board of directors, however called and noticed or 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 the meeting or any 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 the lack of adequate notice.

### **Section 11. Adjournment**

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

### **Section 12. Notice of Adjournment**

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the 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.

### **Section 13. Action without Meeting**

Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all members of the board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the board of directors. Such written consent or consents shall be filed with the minutes of the proceedings of the board. *(Example of such action may be voting by email.)*

### **Section 14. Fees and Compensation**

Directors and members of committees shall receive:

- A) no compensation for their services and
- B) such reimbursement of expenses as may be determined by resolution of the board of directors to be just and reasonable for day to day corporate business activities.

## **Article XII. Committees**

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### Section 1. Committees of Directors

The board of directors may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. Any committee, to the extent provided in the resolution of the board, shall have all the authority of the board, except that no committee, regardless of board resolution, may:

- A) take any final action on matters which, under the Non profit Corporation Law of California, also requires members' approval or approval of a majority of all the members;
- B) fill vacancies on the board of directors or in any committee which has the authority of the board;
- C) fix compensation of the directors for serving on the board or on any committee;
- D) amend or repeal bylaws or adopt new bylaws;
- E) amend or repeal any resolution of the board of directors which by its express terms is not so amendable or repealable;
- F) appoint any other committees of the board of directors or the members of these committees;
- G) expend corporate funds to support a nominee for director; or
- H) approve any transaction:
  - (i) to which the corporation is a party and one or more directors have a material financial interest; or
  - (ii) between the corporation and one or more of its directors or between the corporation or any person in which one or more of its directors have a material financial interest.

### Section 2. Meetings and Action of Committees

Meetings and action of committees shall be governed by and held and taken in accordance with, the provisions of Article 10 of these bylaws concerning meetings of directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the board of directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

## Article XIII. Officers

### Section 1. Officers

The officers of the corporation shall be a president, vice president, a secretary and a treasurer. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as either the president or chairman of the board.

### Section 2. Election of Officers

The officers of the corporation, except those appointed in accordance with the provisions of Section 12.3, shall be chosen by the board of directors and each shall serve at the pleasure of the board, subject to the rights, if any, of an officer under any contract of employment.

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### Section 3. 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, upon vote of two thirds of the officers on the board of directors. This action may take place at any regular or special meeting of the board or, except in case of an officer chosen by the board of directors, by an officer on whom such power of removal may be conferred by the board of directors.

### Section 4. Resignation of Officers

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the 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 is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

### Section 5. Vacancies in Offices

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled only in the manner prescribed in this Article under Section 2. for regular appointments to that office.

### Section 6. Responsibilities of Officers

- A) President. The president shall, subject to the control of the board of directors, generally supervise, direct and control the business and the officers of the corporation. He shall preside at all meetings of the members and, at all meetings of the board of directors. He shall have such other powers and duties as may be prescribed by the board of directors or the bylaws.
- B) Vice president. In the absence or disability of the president, the vice president shall perform all the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions upon, the president. The vice president shall have such other powers and perform such other duties as from time to time may be prescribed by the board of directors.
- C) Secretary. The secretary shall attend to the following:
  - (i) Book 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 and actions of directors, committees of directors and members, with the time and place of holding, whether regular or special and, if special, how authorized, the notice given, the names of those present at such meetings, the number of members present or represented at members' meetings and the proceedings of such meetings.
  - (ii) Membership records. The secretary shall keep, or cause to be kept, at the principal office as determined by resolution of the board of directors, a record of the corporation's members, showing the names of all members and their addresses.
  - (iii) Notices, seal and other duties. The secretary shall give, or cause to be given, notice of all meetings of the members and of the board of directors required by the bylaws to be given. He shall keep the seal of the corporation in safe custody. He shall have such other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.
- D) Treasurer.
  - (i) Books of account. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times.

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- (ii) Deposit and disbursement of money and valuables. The treasurer 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 of directors; shall disburse the funds of the corporation as may be ordered by the board of directors; shall render to the chairman of the board and/or the president and directors, whenever they request it, an account of all of his transactions as treasurer 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 of directors or the bylaws.
- (iii) Bond. If required by the board of directors, the treasurer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for the faithful performance of the duties of his office and for restoration to the corporation of all its books, papers, vouchers, money and other property of every kind in his possession or under his control on his death, resignation, retirement or removal from office.

### **Section 7. Fees and Compensation**

Officers shall receive:

- A) No compensation for their services and
- B) Such reimbursement of expenses as may be determined by resolution of the board of directors to be just and reasonable.

## **Article XIV. Indemnification of Directors, Officers, and Employees**

### **Section 1. Definitions**

For the purpose of this article:

- A) "agent" means any person who is or was a director, officer, employee, or other agent of this corporation, or is or was serving at the request of this corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee, or agent of a foreign or domestic corporation that was a predecessor corporation of this corporation or of another enterprise at the request of the predecessor corporation;
- B) "proceeding" means any threatened, pending, or completed action or proceeding to which the corporation or its agent is a party, whether civil, criminal, administrative or investigative; and
- C) "expenses" includes, without limitation, all attorneys' fees, costs and any other expenses incurred in the defense of any claims or proceedings against an agent by reason of his position or relationship as agent and all attorneys' fees, costs and other expenses incurred in establishing a right to indemnification under this Article.

### **Section 2. Successful Defense by Agent**

To the extent that an agent of this corporation has been successful on the merits in the defense of any proceeding referred to in this Article XIV or in the defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection with the claim. If an agent either settles any such claim or sustains a judgment rendered against him, then the provisions of Sections 3 through 5 hereof shall determine whether the agent is entitled to indemnification.

### **Section 3. Action Brought by Persons Other than the Corporation**

Subject to the required findings to be made pursuant to Section 5, below, this corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding other than an action brought by, or on behalf of, this corporation, or by an officer, director or person granted related status by the Attorney General, or by the Attorney General on the ground that the defendant director was or is engaging in self dealing within the meaning of California Corporations

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Code Section 5233, or by the Attorney General or a person granted related status by the Attorney General for any breach of duty relating to assets held in charitable trust, by reason of the fact that such person is or was an agent of this corporation, for all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding.

### **Section 4. Action Brought by or on Behalf of the Corporation**

- A) Claims settled out of court. If any agent settles or otherwise disposes of a threatened or pending action brought by or on behalf of this corporation, with or without court approval, the agent shall receive no indemnification for either amounts paid pursuant to the terms of the settlement or other disposition or for any expenses incurred in defending against the proceeding, unless it is settled with the approval of the Attorney General.
- B) Claims and suits awarded against agent. This corporation shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action brought by or on behalf of this corporation by reason of the fact that the person is or was an agent of this corporation, for all expenses actually and reasonably incurred in connection with the defense of that action, provided that both of the following are met:
- (i) the determination of good faith conduct required by Section 5, below, must be made in the manner provided for in that section; and
  - (ii) upon application, the court in which the action was brought must determine that, in view of all of the circumstances of the case, the agent should be entitled to indemnity for the expenses incurred. If the agent is found to be so entitled, the court shall determine the appropriate amount of expenses to be reimbursed.

### **Section 5. Determination of Agent's Good Faith Conduct**

The indemnification granted to an agent in Sections 3 and 4 above is conditioned on the following:

- A) Required standard of conduct. The agent seeking reimbursement must be found in the manner provided below to have acted in good faith, in a manner he believed to be in the best interest of this corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances. The termination of any proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in the best interest of this corporation or that he had reasonable cause to believe that his conduct was unlawful. In the case of a criminal proceeding, the person must have had no reasonable cause to believe that his conduct was unlawful.
- B) Manner of determination of good faith conduct. The determination that the agent did act in a manner complying with subsection (A) above shall be made by:
- the board of directors by a majority vote of a quorum consisting of directors who are not parties to the proceeding; or
  - the voting members by an affirmative vote (or written ballot in accord with Article VII, Section 9 of a majority of the voting members represented and voting at a duly held meeting of members at which a quorum is present, which affirmative vote also constitutes a majority of the required quorum; provided, however, that the person to be indemnified shall not be entitled to vote; or
  - the court in which the proceeding is or was pending. Such determination may be made on application brought by this corporation or the attorney of the agent or other person rendering a defense to the agent, whether or not the application by the agent, attorney or other person is opposed by this corporation.

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### Section 6. Limitations

No indemnification or advance shall be made under this Article XIV, except as provided in Sections 2 or 5(b)(3) hereof, in any circumstance when it appears:

- A) That the indemnification or advance would be inconsistent with a provision of the Articles of Incorporation, a resolution of the members, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification, or
- B) that the indemnification would be inconsistent with any condition expressly imposed by a court in approving a settlement.

### Section 7. Advance of Expenses

Expenses incurred in defending any proceeding may be advanced by this corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance, unless it is determined ultimately that the agent is entitled to be indemnified as authorized in this Article XIV.

### Section 8. Contractual Rights of Non directors and Non officers

Nothing contained in this Article XIV shall affect any right to indemnification to which persons other than directors and officers of this corporation, or any subsidiary hereof, may be entitled by contract or otherwise.

### Section 9. Insurance

The board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation against any liability other than for violating provisions against self dealing asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not this corporation would have the power to indemnify the agent against that liability under the provisions of this Article XIV.

## Article XV. Records and Reports

### Section 1. Maintenance of Corporate Records

The corporation shall keep:

- A) Adequate and correct books and records of account;
- B) Minutes in written form of the proceedings of its members, board and committees of the board;
- C) A record of its members, giving their names and addresses.

All such records shall be kept at the corporation's principal office.

### Section 2. Members' Inspection Rights

- A) For a purpose reasonably related to such person's interest as a member, any member of the corporation may inspect and copy the records of members' names and voting rights during usual business hours on five days' prior written demand on the corporation, stating the purpose for which the inspection rights are requested; or
  - (i) Obtain from the secretary of the corporation, on written demand and on the tender of the secretary's usual charges for such a list, if any, a list of names and addresses of members who are entitled to vote for the election of directors, and their voting rights, as of the most recent record date for which that list has been compiled, or as of a date specified by the member after the date of demand. The demand

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shall state the purpose for which the list is requested. This list shall be made available to any such member by the secretary on or before the later of 10 days after the demand is received or the date specified in it as the date by which the list is to be compiled; and

- B) Any member of the corporation may inspect the accounting books and records and minutes of the proceedings of the members and the board and committees of the board, at any reasonable time, for a purpose reasonably related to such member's interest as a member.
- C) Any inspection and copying under this section may be made by an agent or attorney of the member and the right of inspection includes the right to copy and make extracts.

### **Section 3. Maintenance and Inspection of Articles and Bylaws**

The corporation shall keep at its principal office the original or a copy of the Articles of Incorporation and bylaws as amended, to date, which shall be open to inspection by the members or other authorized representatives at all reasonable times during office hours.

### **Section 4. Inspection by Directors**

Every 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 each of its subsidiary corporations, if any. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

### **Section 5. Annual Report to Members**

At such time that the corporation consists of more than one hundred members and has assets exceeding \$10,000, it shall, not later than 120 days after the close of the corporation's fiscal year, cause an annual report to be sent to the members and directors. Such report shall contain the following information in reasonable detail:

- A) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- B) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- C) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- D) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year;
- E) Any information required by Section 6.

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

### **Section 6. Annual Statement of Certain Transactions and Indemnifications**

No later than the time the corporation gives its annual report, if any, to the members, and in any event no later than 120 days after the close of the corporation's fiscal year, the corporation shall prepare and mail or deliver to each member and director a statement of the amount and circumstances of any transaction or indemnification of the following kind:

- A) Any transaction(s) in which the corporation, its parent or its subsidiary, if any, was a party, and in which either of the following had a direct or indirect financial interest:

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- (i) any director or officer of the corporation, its parent or subsidiary, if any, (a mere common directorship shall not be considered such an interest); or
  - (ii) any holder of more than 10% of the voting power of the corporation, its parent or its subsidiary, if any, if such transaction involved over \$50,000, or was one of a number of transactions with the same person involving, in the aggregate, over \$50,000.
- B) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation pursuant to Article 13 hereof, unless such indemnification has already been approved by the members pursuant to Article XIV, Section 5(b)(ii).

### Article XVI. Construction and Definitions

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Non profit 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 number includes the plural, the plural number includes the singular and the term "person" includes both the corporation and a natural person.

### Article XVII. Amendments

#### Section 1. Amendment by Members

New bylaws may be adopted or these bylaws may be amended or repealed at a regular or special meeting of the members at which a quorum is present or by absentee ballot. The vote of a majority of members present shall be required. Notice of such meeting shall comply with Article VIII, Section 3. No amendment may extend the terms of a director beyond that for which such director was elected.

#### Section 2. Amendment by Directors

Subject to the rights of members under Section 1 above and the limitations set forth below, the board of directors may adopt, amend or repeal bylaws. Such power is subject to the following limitations:

- A) The limitation set forth in Section 1 on the members' power to adopt, amend or repeal bylaws shall apply to actions by the board of directors.
- B) The board of directors may not amend a bylaw provision fixing the authorized number of directors or the minimum and maximum number of directors. However, if the articles or bylaws provide for a variable number of directors within specified limits, the directors may, subject to the other limitations of this Section, adopt, amend or repeal a bylaw fixing the exact number of directors within those limits.
- C) If any provision of these bylaws requires the vote of a larger proportion of the directors than otherwise required by law, such provision may not be altered, amended or repealed except by vote of such larger number of directors.
- D) The board of directors may not adopt or amend bylaw provisions concerning the following subjects without the approval of the members:
  - (i) any provision increasing the terms of directors;
  - (ii) any provision allowing one or more directors to hold office by designation or selection rather than election by the members;
  - (iii) any provision giving the board of directors power to fill vacancies on the board created by removal of directors;
  - (iv) any provision increasing the quorum for members' meetings; and

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(v) any provision repealing or restricting proxy rights or expanding proxy rights created by law.

#### **Certificate of Secretary**

I, the undersigned, certify that I am the presently elected and acting secretary of Pacific Sands Cabana Club, a California non profit public benefit corporation, and the above bylaws, consisting of 21 pages, are the bylaws of this corporation as adopted by unanimous written consent of the board of directors on November 21, 2005.

Date: November 21, 2005

Secretary: