

California Bail Agents Association

BYLAWS

*Effective, January 7, 2002
Amended, November 2004
Amended, May 2006
Amended, January 2007*

Table of Contents

Article	Title	Page
I	Name, Location, Purpose	1
II	Dissolution	2
III	Membership and Voting Rights	2
IV	Board of Directors	6
V	Officers	8
VI	Appointive Board Members	10
VII	Committees	10
VIII	Indemnification of Directors, Officers and Corporate Agents	11
IX	Fiscal Year	14
X	Waiver of Notice	15

XI		Amendment		15
----	--	-----------	--	----

Article 1

Name, Location and Purpose

1.1 Name:

The name of this Association shall be **CALIFORNIA BAIL AGENTS ASSOCIATION**.

1.2 Location:

The principal office of the Association and location of the Association shall be at the office of the elected President or as otherwise directed by the Board of Directors.

1.3 Purpose:

The Eighth Amendment to the United States Constitution provides that "excessive bail shall not be required, nor excessive fines imposed, nor cruel or unusual punishment inflicted." A natural result of this right is the constitutional guarantee of reasonable bail pending trial, a concept which has been universally affirmed by the Courts of this great Union.

The Professional Bail Agent is the main instrument through which the right to freedom before trial is practically applied. This function imposes obligations beyond ordinary private enterprise. It imposes grave social responsibility to which the Bail Agent should dedicate herself or himself, and for which the Bail Agent should prepare diligently. The Bail Agent, therefore, must be zealous in maintaining and improving the standards of the bail professional and share with fellow Bail Agents a common responsibility for the integrity and honor of the bail profession.

The specific purpose of this corporation is to promote the mutual benefit of its members by disseminating information among members of the Association about issues of import to the profession and to monitor and attempt to influence governmental decisions that impact the profession.

1.4 Code of Ethics:

The members may adopt a Code of Ethics and procedures for handling grievances. These shall be binding on all members and may provide for expulsion from membership in this Association. Copies of a proposed Code of Ethics or changes therein must be mailed to the members at least thirty (30) days prior to a meeting of the members when such items will be considered.

Article II

Dissolution

This corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits, or dividends to its members and is organized solely for nonprofit purposes. No part of the profits or net income of this corporation shall ever inure to the benefit of any director, officer, or member thereof, or to any individual. Upon dissolution or winding up of the corporation, a prorated portion of its assets attributable to dues and remaining after payment of, or provision of payment of, all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation, or corporation which has established its tax exempt status under Section 501(c) of the Internal Revenue Code.

Article III

Memberships and Voting Rights

3.1 Membership:

The CBAA shall be composed of those individuals who have qualified for membership under paragraph 3.2 and have paid their annual dues. Membership shall be effective upon acceptance and approval of the membership application by the Board of Directors or its designee shall be contingent on the payment of dues, as established and modified from time to time by the Board of Directors. By 2/3 majority vote, the Board of Directors may designate additional categories of membership to those contained herein as well as the qualifications, rights and restrictions applicable to such members. The categories of membership shall include:

3.2 Membership Classes:

CBAA recognizes six types of memberships:

- A. A. Full members are those individuals who are licensed by the authorized governmental agencies within the State of California to execute surety bail bonds for the public sector, and pay 100% of the annual dues. Full members retain full voting privileges on all matters presented to the general membership of the CBAA.
- B. B. Agency Membership shall consist of 2 Full Members and unlimited Agency Associate Members. The 2 voting members must meet the same qualifications as Full Members under section 3.2A.
- C. C. Agency Associate members are employed by an Agency Member and must meet the qualifications of a Full Member under 3.2A and will have all rights and privileges of Full Members, except voting rights. An Agency Associate membership is not transferable.
- D. D. Associate Members are those individuals who are not eligible for membership pursuant to 3.2A but desire to contribute money to the Bonding Profession. Associate members do not have voting privileges, but may attend all meetings.
- E. E. Honorary Member is a person who has performed notable service for the Association or industry, may become an Honorary member of the Association. Honorary members shall be

entitled to any of the privileges of membership without the payment of dues but shall not be entitled to vote or hold office. Honorary membership shall be valid until death unless suspended or revoked for good causes by unanimous vote of the Board of Directors present and voting at any regularly constituted meeting.

- F. F. Life members are individuals who are licensed by the authorized governmental agencies within the State of California to execute surety bail bonds for the public sector, and either pay the dues established for life membership or are awarded one by the Board of Directors. Life members retain full voting privileges on all matters presented to the general membership of the CBAA.

3.3 Members Duties:

Each member is obligated to comply with these Bylaws and to meet all financial obligations to the Association in the time and manner specified. Each member is expected to cooperate fully with appropriate officials of the Association with respect to Association matters including official inquiries and requests concerning compliance with the terms of these Bylaws of the Association.

3.4 Members Rights and Privileges:

The privileges of membership in this Association includes the right to participate in Association activities, to secure the service provided by the Association and to publicize such membership, including the use of the Association's emblem, so long as the said emblem is not utilized in a manner that will reflect adversely upon the Association. No member of this Association shall use the seal, logo or name of the Association to endorse, condemn or express an evaluation of any product or service of any firm or individual.

3.5 Delinquencies.

When any member's dues become delinquent, said member shall be dropped from the rolls of the Association and shall thereupon lose any and every membership right. Delinquent dues time periods shall be established by the Board of Directors.

3.6 Resignations.

Any member may resign at any time. However, such resignation shall not relieve the resigning member from payment of dues for the unexpired portion of the current membership period, or give any right to rebate of any dues paid, or any right to a pro-rata or other share of the assets of the Association; nor shall such resignation or withdrawal be deemed to waive liability for the payment of other amounts owing the association. All resignations shall be made in writing to the principal office of the Association.

3.7 Vested Rights.

No members of the Association shall have any vested rights in the assets of the Association.

3.8 Voting rights:

All full members or other member classes established pursuant to Section 3.1 of the Bylaws in good standing at the time of presentation of any matter to the General Membership are eligible to

cast a vote, as long as they have been a full member for at least thirty (30) days prior to said vote.

3.9 Termination:

The membership of any member shall terminate upon resignation of the member, expiration of the period of membership, or expulsion or suspension of the member by the Board of Directors for violating the Code of Ethics, failing to pay dues, failing to adhere to Board Policy, or failing to follow the Bylaws. Following a determination by the Board of Directors that a member should be suspended or expelled the member shall be given an opportunity to be heard, either orally or in writing before such suspension or expulsion shall be effective, in accordance with board policy.

3.10 Dues:

Membership dues shall be payable in such amounts and at such times as determined from time to time by the Board of Directors.

3.11 Annual Meeting:

The Annual General Meeting of the Association shall be held in the fourth quarter of each year. Other special meetings of the Association members can be scheduled with 2/3 vote of the Board of Directors, so long as a quorum is present. At the Annual meeting held in an odd-numbered year, the members shall elect the Officers and Board of Directors and transact any other business as may lawfully come before the meeting. It shall be the duty of the Secretary of the Association to give ten days notice of such meetings in writing or by telegram, mailgram, or electronic facsimile.

3.12 Quorum and Proxy Voting:

A majority of the full members present at a regular or special meeting shall constitute a quorum for the purpose of transacting business. Unless otherwise provided in these Bylaws, a majority of the members present at such a meeting shall decide all questions brought before such meeting. Voting shall not be permitted by proxy.

3.13 Agenda for Meeting:

Matters may be placed on the Agenda for any Annual Meeting or Special Meeting by any Board Member by notifying the Secretary by telephone or in writing of the matter to be placed on the Agenda no later than 3:00 p.m. fourteen days preceding the meeting or the Special Meeting. No matter shall be considered unless it has been placed on the Agenda or unless the matter is to be declared an "emergency matter" as hereinafter provided for in Paragraph 3.15.

3.14 Order of Business:

3.14.1 Annual Meetings:

The order of business at each Annual Meeting shall be as follows:

1. Invocation / Pledge
2. Roll call

3. Reading of Notice of Meeting
4. Reading of minutes (if not mailed) of the previous meeting and action thereon
5. Report of President
6. Report of Officers
7. Report of Committees
8. Election of Officers (when applicable)
9. Election of Board of Directors (when applicable)
10. Miscellaneous business placed on the Agenda by Board Members
11. Old Business
12. New Business
13. Date, place and time for next meeting
14. Adjourn - Pledge

3.14.2 Special Meetings:

The order of business at each Special Meeting shall be as follows:

1. Roll Call
2. Reading of the minutes (if not mailed) of previous meeting and action thereon
3. Election of Board Members or Officers (when applicable)
4. Report of President
5. Report of Committees
6. Discussions and actions, when applicable, on the foregoing reports
7. Miscellaneous business placed on the agenda by Board members
8. Old Business
9. New Business
10. Adjourn - Pledge

3.15 Emergency Matters:

The Board may declare that any item of business required to be set forth in writing on the agenda of a meeting constitutes an "emergency matter" and the Board can thereby waive the requirement that such matter be included on the agenda or in the notice of a special meeting. To declare a matter an "emergency" shall require two-thirds vote of the members of the Board present, so long as a quorum is present.

Article IV

Board of Directors

4.1 Number and Term of Board of Directors:

The direction and management of the affairs of the Association and the control and disposition of its properties and funds shall be vested in a Board of Directors which shall consist of eighteen (18) Area Directors, all elected officers of the Association and the immediate_past President of the Association. The Area Directors of the Board shall consist of three (3) members from each of the six (6) Appellate Districts of California (with the exception that San Francisco will reside in District 2), to be elected every two years by the majority vote of the members present and voting at the Annual General Membership Meeting during the odd-numbered year. The term for which the Board Members shall serve on the Board shall be two (2) years, beginning on January 1 of the year following the election.

4.2 Board Chair and Vice Chair:

The Board shall elect a Chair and Vice Chair to preside over meetings of the Board.

4.3 Conduct of Meetings:

Robert's Rules of Order, Newly Revised, will be the parliamentary authority for all legislative procedures not specifically covered by the Bylaws of this Association_

The Chair of the Board, and in the absence of the Chair the Vice Chair of the Board, shall call meetings of the Board to order, and shall act as Chair of such meetings, and the Secretary of the Association shall act as Secretary. In the absence of the Secretary, the Chair may appoint any person present to act as Secretary of the meeting. Copies of the previous_meeting's_minutes shall be sent to all Board Members at least two weeks prior to the Board Meeting. In the absence of the Chair or Vice Chair, the President or Vice-President shall call meetings of the Board to order.

4.4 Vacancies:

Each Board Member shall serve for a two-year term of office until a successor is duly elected and qualified. A vacancy shall be declared in any seat on the Board, including the Chair, upon the death or resignation of the occupant, disability of any occupant rendering him or her permanently incapable of participating in the management and affairs of the Association, or by vote of the Board of Directors. The President shall appoint a temporary Board Member to fill the vacancy until the next annual meeting of the members at which an election is held as per section 3.11 of the Bylaws. In the event a vacancy in the position of Chair occurs, the President shall appoint a temporary chair until an election at the next regular Board meeting shall determine a replacement.

4.5 Eligibility:

The Members of the Board of Directors must qualify under 3.1, who have consented, prior to their nomination and election, to serve on the Board. Officers elected at the same annual meeting, salaried employees of the Association, practicing attorneys and employees of similar Associations may not be nominated to serve on the Board of Directors. No nomination for the

position of Director of the Association shall be accepted, unless nominated by a current member of the Association.

4.6 Quorum for transacting business:

A majority of the current Board, including a Board Member from at least four (4) regions (appellate districts as defined in §4.1 of these bylaws) in person shall constitute a quorum for the transaction of business at all meetings convened according to these Bylaws. No business shall be conducted by the Board unless a quorum is present. A board member present by proxy shall not be counted to establish a quorum. The act of the majority of the Board Members present at a meeting at which a quorum is present shall be the act of the Board.

4.7 Proxy Voting:

Every person entitled to vote shall have the right to do so either in person or by written proxy executed in accordance with procedures established by the Board and then applicable law.

4.8 Removal of Board Member and Board Disagreements:

A. The Board may, by majority vote, remove a Director from office if such Director is no longer eligible to serve or has two unexcused or three (3) consecutive excused or unexcused absences from meetings. The Board shall notify such Director and replace that member for the remainder of his or her term of office with nomination from the President, presented for Board Approval, at the next regular meeting.

B. Leave of Absence. For sufficient reason, such as illness or vacation, a member may request a leave of absence.

C. Resignation. A written resignation shall be acted upon at the next regular meeting of the Board or by acceptance of the President.

4.9 Special Meetings of the Board of Directors:

Special meetings of the Board of Directors shall be held when the President or Vice President calls the meeting, giving each member of the Board ten days notice, to transact business as may lawfully come before the Board. An Agenda for the meeting shall be prepared by members of the executive committee to be submitted to the Secretary and who will distribute to each member of the Board by mailing or otherwise delivering same to each member. The Agenda must be received by each member of the Board one week prior to the Special Meeting.

Special meetings may be held via telephone conferencing or written action and votes shall be confirmed by electronic facsimile signed by the individual Board Member and received by designee, within four hours of the telephone conference.

4.10 Written Action

Any action that may be taken at a meeting of the Board of Directors may be taken without a meeting and by order of the President, Vice President, or Chairman of the Board when signed by the number of directors that would be required to take the same action at a meeting of the Board of Directors at which all directors are present. Between meetings of the Board of Directors, any questions may be submitted by the President, Vice President, or Chairman of the Board to the

Board for ballot by mail, facsimile, e-mail, or other method decided by the board of directors, as occasion arises, unless otherwise provided in the Bylaws or act of the Board of Directors. Distribution of ballot requires the same vote as would be required to take the same action at a meeting.

Article V

Officers

5.1 Election:

The officers of the Association shall be the President, Vice President, Secretary, Treasurer, Parliamentarian, and such other officers as may be determined by the Board. The members shall elect the officers at the Annual General Meeting during the odd-numbered years. The officers so elected shall hold office for a period of two years until their successors are elected and qualify. If a person is elected as an officer, he or she may not be nominated or elected as a director at the same Annual meeting. In order to qualify for election as an officer, a person must meet the eligibility requirements of Section 4.5 of these Bylaws and must have held a California bail license for five (5) or more years, must have attended two (2) of the last four (4) annual general meetings, and have served at least one full term as a director or officer of the Association unless written valid excuse is offered and approved by the Board of Directors at least 90 days prior to the election.

5.2 Duties:

The principal duties of the several officers are as follows:

A. President: The President shall preside at all meetings of the members of the Association. S/he shall be the Chief Executive Officer of the Association and, subject to the control of the Board, shall have general charge and supervision of the administration of the affairs and business of the Association. S/he shall see that all orders and resolutions of the Board are carried into effect. S/he shall sign and execute all legal documents and instruments in the name of the Association when authorized to do so by the Board and shall perform such duties as may be assigned from time to time by the Board. The President shall submit to the Board plans and suggestions for the work of the Association, shall direct its general correspondence, and shall present recommendations in each case to the Board of Directors for decision. S/he shall also submit a report of the activities and business affairs of the Association at each Annual Meeting and at other times when called upon to do so by the Board.

B. Vice-President. The Vice-President shall discharge the duties of the President in the event of absence or disability of any cause whatsoever, and shall perform such additional duties as may be prescribed by the President.

C. Secretary. The Secretary shall have charge of the records and correspondence of the Association under the direction of the President. The Secretary shall give notice of and attend all meetings of the Board. The Secretary shall discharge such other duties as shall be assigned by the President. In case of the absence or disability of the Secretary, the President may appoint an Acting Secretary to perform the duties of the Secretary during such absence or disability. In case of the absence or disability other than a vacancy of the President and Vice President, the Secretary shall call the meeting to order and preside until the election or appointment of an acting President.

D. Treasurer. The Treasurer shall keep account of all monies, credits and property of the Association which shall come into his or her hands, and keep an accurate account of all monies received and discharged. Except as otherwise ordered by the President, the Treasurer shall have the custody of all the funds and securities of the Association and shall deposit the same in such banks or depositories as the President shall designate. The Treasurer shall keep proper books of account and other books showing at all times the amount of funds and other property belonging to the Association, all of which books shall be open at all general membership meetings for the inspection of full members of the Association. The Treasurer shall also submit a report of the accounts and financial condition of the Association, at each Annual General Meeting, and at such other times as directed by the Board. The Treasurer shall, under the direction of the President, disburse monies and sign instruments drawn on or payable out of the funds of the Association. All checks shall require two signatures, unless otherwise directed by the Board of Directors.

The Treasurer shall also make such transfers and alterations in the securities of the Association as may be ordered by the President. In general, the Treasurer shall perform all the duties which are incident to the office of the Treasurer, subject to directions of the President and shall perform such additional duties as may be prescribed from time to time by the President. In case of absence or disability of the Treasurer, the President may appoint an Acting Treasurer to perform the duties of the Treasurer during such absence or disability. The Association shall purchase Blanket Fidelity bonds on all officers, employees and Directors in an amount to be determined by the Board.

E. Parliamentarian. The Parliamentarian shall keep order at meetings of the Association and Board, make sure meetings are conducted in accordance with the Robert's Rules of Order and take Roll Call.

5.3 Vacancies:

Whenever a vacancy shall occur in any office, such vacancy shall be filled by an appointee of the Executive Committee who is eligible under section 5.1 and confirmed by a simple majority vote of the Board. The new Officer shall hold office until the next election.

Article VI

Appointive Board Members

The President shall have the authority to appoint three additional Board Members, subject to confirmation by majority vote of the Board of Directors, so long as there is a quorum present.

Article VII

Committees

7.1 Standing Committees:

The following shall be the Standing Committees of the Board:

1. Executive Committee - which shall consist of President, Vice-President, Secretary, Treasurer, and Chair of the Board. President may use vice chair or parliamentarian as alternate when any other position on the executive committee is vacant.
2. Education
3. Legislation/Government
4. Jails/Courts/Pre-Trial Release
5. Ethics/Grievances/Department of Insurance Liaison
6. Finance/Budget
7. Special Activities/Awards
8. Membership
9. Legal

Each Standing Committee shall consist of a Chairperson appointed by the President. The President may at any time, and for the benefit of the Association, replace the Chairperson of any Standing Committee. Each Standing Committee shall have a minimum of three (3) members. The Chair of said committee will appoint the members of all Standing Committees, and shall keep minutes of their meetings and report their activities to the President when directed by the President or Vice-President. Appointments to Standing Committees shall be until Election Meeting takes place or until such time as they are dissolved by the President.

7.2 Special Committees:

The President shall appoint such Special Committees as are deemed necessary by the President, and will appoint the Chair. The President may at any time, and for the benefit of the Association replace the Chairperson of any Special Committee. Special Committees shall consist of such members as are selected by the chair of such committee. Special Committee appointments and the life of the Special Committee shall be for the duration of time set forth in the appointment thereof, but in any event, not to extend beyond the end of the year in which such appointments are made, or until such times as they are dissolved by the President.

7.3 Recommendations of Committees:

Standing committees and Special Committees shall be advisory only and recommendations and action of such committees shall not be binding upon the President or the Board.

Article VIII

Indemnification of Directors, Officers, Employees and Other Agents

8.01 Agents, Proceedings, and Expenses Section 8.01 Agents, Proceedings, and Expenses. Section 8.01 Agents, Proceedings, and Expenses. Section 8.01 Agents, Proceedings, and Expenses. Section 8.01 Agents, Proceedings, and Expenses.

For the purposes of this Article, "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 which was a predecessor corporation of this Corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expense" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Sections 8.04 or 8.05(c) of this Article VIII.

8.02 Actions Other Than By the Corporation Section 8.02 Actions Other Than By the Corporation. Section 8.02 Actions Other Than By the Corporation. Section 8.02 Actions Other Than By the Corporation. Section 8.02 Actions Other Than By the Corporation.

This Corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of this Corporation to procure a judgment in its favor) by reason of the fact that such person is or was an agent of this Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if that person acted in good faith and in a manner that person reasonably believed to be in the best interests of this Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of that person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of this Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

3. 8.03 Actions By the Corporation

This Corporation shall have the power to indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this Corporation to procure a judgment in its favor by reason of the fact that person is or was an agent of this Corporation, against expenses actually and reasonably incurred by that person in connection with the defense or settlement of that action if that person acted in good faith, in a manner that person believed to be in the best interests of this Corporation and its shareholders. No indemnification shall be made under this Section 8.03 for any of the following reasons:

(a) In respect of any claim, issue or matter as to which that person shall have been adjudged to be liable to this Corporation in the performance of that person's duty to this Corporation and its shareholders, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, that person is fairly and reasonably entitled to indemnity for the expenses and then only to the extent that the court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a pending action without court approval; or

(c) Of expenses incurred in defending a pending action which is settled or otherwise disposed of without court approval.

8.04 Successful Defense By Agent

To the extent that an agent of this Corporation has been successful on the merits in defense of any proceeding referred to in Sections 8.02 or 8.03 of this Article VIII, or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

8.05 Required Approval

Except as provided in Section 8.04 of this Article VIII, any indemnification under this Article VIII shall be made by this Corporation only if authorized in the specific case on a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 8.02 or 8.03 of this Article VIII, by any of the following:

- (a) A majority vote of a quorum of Directors;
- (b) If such a quorum of Directors is not obtainable, by independent legal counsel in a written opinion; or
- (c) Approval by the affirmative vote of a majority of the members of this Corporation entitled to vote represented at a duly held meeting at which a quorum is present; or
- (d) The court in which the proceeding is or was pending, on application made by this Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney, or other person is opposed by this Corporation.

8.06 Advance of Expenses Section 8.06 Advance of Expenses. Section 8.06 Advance of Expenses. Section 8.06 Advance of Expenses. Section 8.06 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 if it shall be determined ultimately that the agent is not entitled to be indemnified as authorized in this Article VIII.

8.07 Other Contractual Rights

The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of members or disinterested directors, or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent such additional rights to indemnification are authorized in the Articles of Incorporation. The rights to indemnify under this Article VIII shall continue as to a person who has ceased to be a Director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of the person. Nothing contained in this Article VIII 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.

8.08 Limitations

No indemnification or advance shall be made under this Article VIII, except as provided in Sections 8.04 or 8.05(c), in any circumstance where it appears:

- (a) That it would be inconsistent with a provision of the articles, a resolution of the Corporation, 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.
- (b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

8.09 Specific Indemnification of DirectorsSection 8.09 **Specific Indemnification of Directors**.Section 8.09 **Specific Indemnification of Directors**.Section 8.09 **Specific Indemnification of Directors**.Section 8.09 **Specific Indemnification of Directors**.

Notwithstanding any provision in this Article VIII to the contrary, Directors who are parties to, or threatened to be made a party of, any proceeding shall be indemnified against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding, including, but not limited to, the defense or settlement of such proceeding; provided, however, that such Director's personal liability does not arise out of such person's (i) acts or omissions that involve intentional misconduct or knowing and culpable violation of the law; (ii) acts or omissions that such Director believed to be contrary to the best interests of this Corporation or its members or that involve the absence of good faith on the part of the Director; (iii) any transaction from which a Director derived an improper personal benefit; (iv) acts or omissions that show a reckless disregard for the Director's duty to this Corporation or its members in circumstances in which the Director was aware, or should have been aware, in the ordinary course of performing the Director's duties, of a risk of serious injury to this Corporation or its members; (v) acts or omissions that constitute an unexcused pattern of inattention that amounts to an abdication of the Director's duty to this Corporation or its members; (vi) contracts or transactions in which a Director has a direct or indirect financial interest as provided in California Corporations Code Section 310; or (vii) distributions, loans, guarantees or other transactions under California Corporations Code Section 316. This Section 8.09 shall not be construed to eliminate or limit the liability of an officer of this Corporation for any act or omission as an officer, notwithstanding that such officer is also a Director or that such officer's actions, if negligent or improper, have been ratified by the Board of Directors.

8.10 InsuranceSection 8.10 **Insurance**.Section 8.10 **Insurance**.Section 8.10 **Insurance**.Section 8.10 **Insurance**.

Upon and in the event of a determination by the Board of Directors of this Corporation to purchase such insurance, this Corporation shall purchase and maintain insurance on behalf of any agent of the Corporation against any liability 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 VIII.

8.11 Fiduciaries of Corporate Employee Benefit Plan

This Article VIII does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though that person may also be an agent of the Corporation as defined in Section 8.01 of this Article VIII. This Corporation shall have power to indemnify such a trustee, investment manager or other fiduciary to the extent permitted by applicable law.

Article IX

Fiscal Year

The Fiscal Year of the Association shall begin on the first day of January in each calendar year and end on the 31st day of December of the same calendar year.

Article X

Waiver of Notice

Whenever any notice is required to be given to any member of the Board of Directors of the Association, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Article XI

Amendment

These Bylaws may be amended by the Board of Directors at any Meeting of the Board of Directors by a two-thirds vote of the Board, provided that notice of the proposed amendment shall have been mailed to each Board Member in writing at least two weeks prior to such meeting. The Bylaws may also be amended at the Annual General Membership Meeting by a majority vote of members present and voting.