

RESTATED BYLAWS OF THIRD AVENUE VILLAGE ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

ARTICLE 1. NAME

The name of this corporation is Third Avenue Village Association.

ARTICLE 2. PURPOSES

This corporation is a non-profit mutual benefit corporation organized under the Non-profit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which the corporation may be organized under such law.

The specific purpose of this corporation is to promote the professional and commercial welfare of that area of the City of Chula Vista designated within Chula Vista Municipal Ordinance No. 1372 (the "District"); to promote the welfare of the professional and business men and women in that area; to encourage efficiency and high ethical standards in business and professions within and without that area; and to continue endeavors to make the Chula Vista downtown area an outstanding community, in which to work and live.

This corporation shall hold and may exercise all such powers as may be conferred upon a nonprofit corporation by the laws of the State of California and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the corporation.

ARTICLE 3. PRINCIPAL OFFICE

The principal office for the transaction of the activities and affairs of this corporation is located at 353 Third Avenue, Chula Vista, in San Diego County, California. The board of directors may change the location of the principal office. Any such change of location must be noted by the secretary on these bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

ARTICLE 4. ACTIVITIES

Section 4.1 Notwithstanding any other provision of these Bylaws, this Corporation shall not, except to insubstantial degree, carry on or engage in any activities or exercise any powers that are not in furtherance of the purposes of this Corporation, and the Corporation shall not carry on any other activities not permitted to be carried on by a corporation with a tax-exempt status under Section 501(c)(6) of the Internal Revenue Code of 1986 (or corresponding provisions of any future United States Internal Revenue Law.)

Section 4.2 Brown Act: All meetings of the Corporation regarding its membership, directors, and committees shall be noticed and conducted in accordance with the requirements of the Ralph M. Brown Act (Section 54950 et seq. of the Government Code of the State of California)

ARTICLE 5. DEDICATION OF ASSETS

Dissolution: Upon the winding up and dissolution of this Corporation, after paying or adequately providing for the payment of the debts, obligations, and liabilities of the Corporation, the remaining assets of the Corporation shall be distributed to a nonprofit fund, foundation, or

corporation which is organized and operated exclusively for mutual benefit purposes and which has established its tax-exempt status under Section 501(c)(6) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), whichever form of distribution is approved by the Directors and Members of this Corporation.

ARTICLE 6. MEMBERSHIP

Section 6.1 Classification and Qualification of Members

- a. The Corporation will have two classes of members, Regular Members and Associate Members.
- b. Regular Members of the Corporation are those persons as defined in Corporations Code Section 5056 who either 1) own real property in the District or 2) own a business in the District and pay a fee to the Corporation when obtaining a business license from the City of Chula Vista. A person, as defined in Corporations Code Section 5056 may own one membership for each parcel of real property it owns in the District.
- c. Associate Members of the Corporation are banks, businesses located outside the District, churches, non-profit entities, and Chula Vista residents who are not assessed for membership fees as real property owners or business license applicants.
- d. Each Member and each Associate Member shall designate one representative associated with its business to act on behalf of such Member.

Section 6.2 Eligibility. Any person, as defined Corporations Code Section 5056, is eligible to be a member of the Corporation, except that, in the case of a natural person, the person will not be eligible for membership unless over the age of 18 years.

Section 6.3 Admission to Membership. Any person eligible for regular membership under these Bylaws will be admitted to membership automatically. Any person, eligible for associate membership under these Bylaws will be admitted to membership only on the payment of the application fee as specified in these Bylaws.

Section 6.4 Application Fee. There shall be a fee charged for, and payable with, the application for associate membership in an amount to be fixed from time to time by the board. This application fee is refundable if the person is not admitted.

ARTICLE 7. BOARD OF DIRECTORS

Section 7.1 Powers. Subject to the provisions and limitations of the Law and any other applicable laws, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors. The Board of Directors may delegate the management of the day-to-day operation of the business of the corporation to a management company, committee (however composed), or other person, provided that the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board of Directors.

Section 7.2 Number of Directors. The board of directors shall consist of no more than fifteen directors.

Section 7.3 Term and Qualifications.

- a. One director will be appointed and will serve a term as directed by the City Manager of the City of Chula Vista. One director will be appointed and will serve a term as directed by the Director of General services of the County of San Diego. The remaining directors shall be elected to hold office for a three year period. Any Member, if elected, may be a member of the Board of Directors, however, no more than three Directors may be Associate Members. Directors may serve an unlimited number of successive terms.
- b. Any Director elected or appointed to succeed a Director who leaves or is removed from office for any reason prior to expiration of his or her term shall serve the balance of that term. A Director may request that the President allow him or her a leave of absence from the Board for up to six (6) months. The term of office of a Director on leave of absence will not be extended by the length of such leave.
- c. Rotating Terms. As the original directors served staggered terms, the election of Directors is rotated such that three to five of the Directors are up for election every year. Each Director shall serve for a term of three years or until the occurrence of one of the events specified in Sections 7.4 (Vacancies) or 7.5 (Removal of Directors) of this Article, whichever first occurs.
- d. Conduct of Election of Directors: The annual election of Directors shall be conducted as follows:
 1. The President shall, at the first September meeting of the Board of Directors each year, announce the appointment of a Nominating Committee which shall give consideration to persons suitable to serve as Directors of the Association. This committee shall be comprised of three Members of the Association.
 2. The Nominating Committee shall maintain and report a slate of nominees to the Board of Directors at the next regular meeting of the Board of Directors. Additional nominations may be made in writing or from the floor by any Member, but to be valid, such nominations must be accompanied by a written or verbal statement by the nominees that if elected, they will serve.
 3. Upon the Board of Directors' acceptance of the Nominating Committee's report and other valid nominations, ballots containing the names of the nominees shall be mailed to all Members at least twenty calendar days prior to the date set for the closing of the polls at the next meeting.

4. Voting may be done at a place, date and time specified by the Board of Directors and the location(s) will be provided with the ballot mailed to all Members.
5. Counting of the votes for Directors shall be at the November meeting of the Board of Directors.
6. Cumulative voting shall not be allowed.
7. The Board of Directors shall have the authority to change the dates for nominating and voting so long as the election is carried out with the same time frame as set forth above.

Section 7.4 Vacancies. A vacancy on the Board shall exist on the occurrence of the following: (a) the death, resignation, or removal of any director; (b) the declaration by resolution of the Board of a vacancy in the office of a director who has been declared of unsound mind by a final order of court, convicted of a felony, or found by final order or judgment of any court to have breached a duty under Sections 5230-5239 of the Law dealing with standards of conduct for a director, or has missed (unexcused) three consecutive meetings of the Board of Directors or a total of four (4) meetings of the Board during any one calendar year, (c) an increase in the authorized number of directors; or (d) the failure of the members, at any annual or other meeting of directors at which any director or directors are to be elected, to elect the full authorized number of directors. Vacancies on the Board may be filled by vote of a majority of the directors then in office, whether or not the number of directors then in office is less than a quorum, or by vote of a sole remaining director. No reduction of the authorized number of directors shall have the effect of removing any director before that directors term of office expires.

Section 7.5 Removal. The Board of Directors, by affirmative vote of a majority of the directors then in office, may remove any director without cause at any regular or special meeting; provided that the director to be removed has been notified in writing in the manner set forth herein, that such action would be considered at the meeting.

Section 7.6 Resignation. Except as provided in this paragraph, any director may resign effective upon giving written notice to the chairperson of the Board, the president, the secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be designated to take office when the resignation becomes effective. Unless the California Attorney General is first notified, no director may resign when the corporation would then be left without a duly elected director in charge of its affairs.

Section 7.7 Meetings.

- a. The Board of Directors shall hold an annual meeting in January of each year subsequent to the election of directors and officers of the corporation and for the transaction of other business. Notice of the annual meeting shall be given in the manner set forth below. Other regular meetings shall be held at such times as are fixed by the Board of Directors. Such regular meetings may be held without notice. Meetings may be held at any place designated by resolution of the

Board, or, if not designated, at the principal office of the corporation. Special meetings shall be held at any place 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, any meeting may be held at any place consented to in writing by all the directors, either before or after the meeting. Consents shall be filed with the minutes of the meeting.

- b. Any meeting may be held by conference telephone or other communications equipment permitted by the Law, as long as all directors participating in the meeting can communicate with one another and all other requirements of the Law are satisfied. All such directors shall be deemed to be present in person at such meeting.
- c. Meetings of the Board for any purpose may be called at any time by the president, the secretary, or any two (2) directors. Notice of the date, time, and place of meetings shall be delivered personally to each director or communicated to each director by telephone (including a voice messaging system which records and communicates messages), facsimile, or electronic mail at least forty-eight (48) hours prior to the meeting, or communicated by telegraph, express mail service, first-class mail, or by other means of written communication, charges prepaid, addressed to the director at the director's address as it is shown upon the records of the corporation, deposited in the mails or given to the telegraph company or express mail company or other carrier at least four (4) days before the date of the meeting. The notice need not specify the purpose of the meeting. Notice of a meeting need not be given to any director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting, prior to the meeting or at its commencement, the lack of notice to such director. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.
- d. Action at a Meeting. Presence of a majority of the directors then in office at a meeting of the Board of Directors constitutes a quorum for the transaction of business, except as otherwise provided in these Bylaws. Every act done or decision made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number, or the same number after disqualifying one or more directors from voting, is required by the Articles of Incorporation, these bylaws, or the Law. Directors may not vote by proxy. A meeting at which a quorum is initially present, including an adjourned meeting, may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a disinterested majority of the required quorum for such meeting, or such greater number as required by the Articles of Incorporation, these bylaws or the Law.

- e. **Adjourned Meeting and Notice.** A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment. Such notice may be waived in the manner provided for in Article 7, Section 5.
- f. **Action Without a Meeting.** The Board of Directors may take any required or permitted action without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such directors. For purposes of this section only, "all members of the Board" does not include any "interested directors" as defined in Section 5233 of the Law.
- g. **Fees and Compensation.** Directors and members of committees may not receive any compensation for their services as such, but may receive reasonable reimbursement of expenses incurred in the performance of their duties, including advances, as may be fixed or determined by resolution of the Board of Directors. Directors may not be compensated for rendering services to this corporation in any capacity other than director, unless such compensation is reasonable and approved as provided herein.

ARTICLE 8. STANDARD OF CARE

Section 8.1 General. A director shall perform the duties of a director, including duties as a member of any committee of the Board on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances. In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- a. One or more officers or employees of the corporation whom the director believes to be reliable and competent in the matters presented;
- b. Counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence;
or
- c. A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as in any such case, the director acts in good faith, after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.
- d. Except as provided herein, a person who performs the duties of a director in accordance with the above shall have no liability based upon any failure or

alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the corporation, or assets held by it, are dedicated.

Section 8.2 Loans. This corporation shall not make any loan of money or property to, or guarantee the obligation of, any director or officer, unless approved by the California Attorney General; provided, however, that this corporation may advance money to a director or officer of this corporation or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 8.3 Conflict of Interest. The purpose of the conflict of interest policy is to protect the corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable California and federal laws governing conflict of interest applicable to nonprofit and charitable corporations and is not intended as an exclusive statement of responsibilities.

a. **Definitions:** Unless otherwise defined, the terms used in this section have the following meanings:

1. "Interested Persons" - Any director, principal officer, or member of a committee with governing Board delegated powers, which has a direct or indirect financial interest, as defined below, is an interested person.
2. "Financial Interest" - A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - (a) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
 - (b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
 - (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.
3. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
4. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing Board or committee decides that a conflict of interest exists.

b. **Procedures.**

1. **Duty To Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors, who are considering the proposed transaction or arrangement.
2. **Determining Whether A Conflict Of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.
3. **Procedure For Addressing The Conflict Of Interest.** In the event that the Board determines that a proposed transaction or arrangement presents a conflict of interest, the Board shall take the following actions:
 - (a) An interested person may make a presentation at the Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - (b) The Chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - (c) After exercising due diligence, the Board shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction or arrangement in conformity with this determination.
4. **Violations Of The Conflict Of Interest Policy.** If the Board has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

5. Records And Procedures: The minutes of the Board and shall contain:
 - (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
 - (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.
- c. Annual Statements. Each director, principal officer and member of a committee with Board-delegated powers shall upon taking office sign a statement which affirms such person:
 1. Has received a copy of the conflict of interest policy;
 2. Has read and understands the policy;
 3. Has agreed to comply with the policy; and
 4. Understands the Corporation is exempt from federal taxes and that to maintain its exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

Section 8.4 Compensation.

- a. Definitions: Unless otherwise defined, the terms below have the following meanings:
 1. Directors and officers of the Corporation are volunteers, who serve without compensation.
 2. "Highest Compensated Employee" - Any employee of the Corporation, whose total compensation would require the employee to be listed in Part I of Schedule A of IRS Form 990, or in response to an equivalent question on any successor exempt organization annual return.
 3. "Highest Compensated Independent Contractor" - Any independent contractor engaged by the Corporation, whose total compensation would require the contractor to be listed in Part II of Schedule A of IRS Form 990, or in response to an equivalent question on any successor exempt organization annual return.
- b. No Highest Compensated Employee or Highest Compensated Independent Contractor may receive compensation, directly or indirectly, from the Corporation unless such compensation is first determined by the disinterested directors, or an authorized committee thereof, to be just and reasonable to the corporation.
- c. The names of the persons who were present for discussions and votes relating to the compensation arrangement, the content of the discussion, including any

the information used to determine the reasonableness of the compensation, and a record of any votes taken in connection with the proceedings shall be maintained in the minutes of the Corporation.

- d. The determination of reasonableness shall be based upon information about compensation paid by similarly situated organizations for similar services, current compensation surveys compiled by independent firms or actual written offers from similarly situated organizations. Similarly situated organizations may include both taxable and tax exempt organizations.
- e. No Highest Compensated Employee or Highest Compensated Independent Contractor, shall participate in the discussion and approval of his or her compensation, except that such persons may provide information to the disinterested directors as described in the conflict of interest policy above.

Section 8.5 Periodic Reviews. Periodic reviews shall be conducted to ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and
- b. Whether partnerships, joint ventures, and arrangements with management corporations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- c. When conducting the periodic reviews as provided for above, the Corporation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

Section 8.6 Mutual Directors. No contract or transaction between the corporation and any California nonprofit public benefit corporation, of which one or more of its directors are directors of this corporation, is void or voidable because such director(s) are present at a meeting of the Board which authorizes, approves, or ratifies the contract or transaction if the material facts as to the transaction and as to such director's other directorship are fully disclosed or known to the Board and the Board authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common director(s), or if the contract or transaction is just and reasonable as to the corporation at the time it is authorized, approved or ratified.

Section 8.7 Restriction on Interested Directors. Not more than forty-nine percent (49%) of the persons serving on the Board of Directors at any time may be interested persons. An interested person is (1) any person currently being compensated by the corporation for services rendered to it within the previous twelve (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 (2) 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. However, any violation of the provisions of this section shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 8.8 Indemnification.

- a. To the fullest extent permitted by law, this corporation shall indemnify its "agents", as described in California Corporations Code Section 5238(a), including its directors, officers, employees, volunteers, and organizations, including their employees, with whom the corporation has contracted to conduct and perform administrative and management responsibilities of the corporation, and including persons formerly occupying any such position, and their heirs, executors, and administrators, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in said Section 5238(a), and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that Section. "Expenses" shall have the same meaning as in said Section. Such right of indemnification shall not be deemed exclusive of any other rights to which such persons may be entitled apart from this Section.
- b. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification in defending any "proceeding" shall be advanced by the corporation before final disposition of the proceeding upon receipt by the corporation of an undertaking by or on behalf of that person to repay such amount unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.
- c. The corporation shall have power to purchase and maintain insurance to the fullest extent permitted by law 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, or to give other indemnification to the extent permitted by law.

ARTICLE 9. COMMITTEES

Section 9.1 Committees of Directors. The Board of Directors may designate one or more advisory committees that do not have the authority of the Board. The president may appoint the committee chair and members of such committees. The committee chairs may also appoint members of such committees. All such appointments shall be subject to later ratification by the Board of Directors.

Section 9.2 The Board of Directors may, by resolution adopted by a majority of the directors then in office, provided that a quorum is present, designate one or more committees to exercise all or a portion of the authority of the Board, to the extent of the powers specifically delegated in the resolution of the Board or in these bylaws. Each such committee shall consist of two (2) or more directors, and may also include persons who are not on the Board, to serve at the pleasure of the Board. The Board may designate one

or more alternate members of any such committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of such a committee requires the vote of a majority of the directors then in office, provided that a quorum is present. The Board of Directors may also designate one or more advisory committees that do not have the authority of the Board.

Section 9.3 No committee, regardless of Board resolution, may:

- a. Approve any action that, under the Law, would also require the affirmative vote of the members.
- b. Fill vacancies on, or remove the members of, the Board of Directors or in any committee that 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 the Articles of Incorporation or bylaws or adopt new bylaws.
- e. Amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable.
- f. Appoint any other committees of the Board of Directors or their members.
- g. Approve a plan of merger, consolidation; voluntary dissolution; bankruptcy or reorganization; or for the sale, lease, or exchange of all or substantially all of the property and assets of the corporation otherwise than in the usual and regular course of its business; or revoke any such plan.
- h. Approve any self-dealing transaction, except as provided by Section 5233 of the Law. No committee shall bind the corporation in a contract or agreement or expend corporate funds, unless authorized to do so by the Board of Directors.

Section 9.4 Meetings and Actions of Committees. Meetings and actions of all committees shall be governed by, and held and taken in accordance with, the provisions of these bylaws concerning meetings and actions 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 maintained with the corporate records. The Board of Directors may adopt rules not inconsistent with the provisions of these bylaws for the government of any committee.

Section 9.5 Executive Committee. Pursuant to Article 9, Section 9.2, the Board may appoint an Executive Committee composed of five directors, consisting of the president, the immediate past president, the vice president, the secretary, and the treasurer, to serve as the Executive Committee of the Board. The Executive Committee, unless limited in a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the corporation between meetings of the

Board; provided, however, that the Executive Committee shall not have the authority of the Board in reference to those matters enumerated in Article 9, Section 9.3. The secretary of the corporation shall send to each director a summary report of the business conducted at any meeting of the Executive Committee.

ARTICLE 10. OFFICERS

Section 10.1 Officers. The officers of the corporation shall consist of a president, vice president, secretary and treasurer (who shall also serve as chief financial officer), and such other officers as the Board may designate by resolution. In addition to the duties specified in this Article 11, officers shall perform all other duties customarily incident to their office and such other duties as may be required by law, by the Articles of Incorporation, or by these bylaws, subject to control of the Board of Directors, and shall perform such additional duties as the Board of Directors shall from time to time assign.

Section 10.2 The officers shall be chosen by the Board at its meeting for election of directors, and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment. Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board of Directors, the president, the president, or the secretary of the corporation, without prejudice, however, to the rights, if any, of the corporation under any contract to which such officer is a party. Any resignation shall take effect on the date of the receipt of such notice or at any later time specified in the resignation; and, unless otherwise specified in the resignation, the acceptance of the resignation shall not be necessary to make it effective. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to that office. The compensation, if any, of the officers shall be fixed or determined by resolution of the Board of Directors.

Section 10.3 Chairperson of the Board. The chairperson of the Board shall be the president. When present, the president shall preside at all meetings of the Board of Directors and Executive Committee. The president is authorized to execute in the name of the corporation all contracts and other documents authorized either generally or specifically by the Board to be executed by the corporation. The vice president shall, in the absence of the chairperson, or in the event of his or her inability or refusal to act, perform all the duties of the president.

Section 10.4 President and Vice President.

- a. The President shall call and preside at all meetings of the Members of the Association, Executive Committee, and the Board of Directors. The President shall administer the Association's affairs and have general supervision, direction and control of the business and officers of the Association according to policies and procedures approved by the Board. He or she shall be an ex-officio member of all committees of the Association, excluding the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these bylaws. The

President's specific responsibilities shall include general management, general direction of the programs of the Association, budget preparation and control, accounting and reporting of financial transactions, management and supervision of personnel and development of public relations. The President shall report to the Board of Directors.

- b. In the case where the Board of Directors has appointed an Executive Director or contracted with an organization to conduct and perform the administrative and management responsibilities which would normally be those of the President, the President's specific duties, specifically including but not limited to the management and supervision of personnel, shall be considered delegated to the Executive Director or organization, and they shall no longer be the responsibility of the President.
- c. The Vice President acting in the President's absence shall have all of the powers and duties of the President.
- d. The president shall be empowered to act, speak for, or otherwise represent the corporation between meetings of the Board.

Section 10.5 Secretary. The secretary, or his or her designee, shall be custodian of all records and documents of the corporation which are to be kept at the principal office of the corporation, shall act as secretary of all the meetings of the Board of Directors, and shall keep the minutes of all such meetings in books proposed for that purpose. He or she shall attend to the giving and serving of all notices of the corporation.

Section 10.6 Treasurer. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct 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 treasurer shall deposit or cause to be deposited all moneys 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. The treasurer shall disburse or cause to be disbursed the funds of the corporation as may be ordered by the Board of Directors, and shall render to the president and directors, whenever they request it, an account of all of the treasurer's transactions as treasurer and of the financial condition of the corporation.

Section 10.7 Delegation of Management.

- a. The Board of Directors may appoint or terminate an Executive Director or an Organization ("Outside Management") to conduct and perform the administrative and management responsibilities of the Corporation as assigned and approved by the Board of Directors. The Outside Management responsibilities may include: the conduct of official Corporation business; preservation of documents; official communications; maintenance of financial records and accounts; preparation and presentation to the Board of Directors of financial statements; accurate record of Board of Director meetings and Committee meetings; supervision, management and review of all personnel assigned to Corporation functions; development and implementation of programs and projects; and such other complementary duties as may be required by the Board of Directors to meet its obligations to membership. The

Executive Committee shall be responsible for evaluating the performance of the Outside Management on an annual basis.

- b. The person(s) or organization appointed may bind the Corporation contractually and legally within the parameters of the Plan of Work and Budget presented to and approved by the Board of Directors each year. The authority of this person(s) or organization is defined by that which is invested in them by full consent of the Board of Directors.

ARTICLE 11. EXECUTION OF CORPORATE INSTRUMENTS

Section 11.1 Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the corporation. Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the corporation, promissory notes, deeds of trust, mortgages, and other evidences of indebtedness of the corporation, and other corporate instruments or documents, memberships in other corporations, and certificates of shares of stock owned by the corporation, shall be executed, signed, or endorsed by the president and by the vice president or secretary or treasurer or any assistant secretary or assistant treasurer. All checks and drafts drawn on banks or other depositories on funds to the credit of the corporation, or in special accounts of the corporation, shall be signed by such person or persons as the Board of Directors shall authorize to do so.

Section 11.2 Loans and Contracts. No loans or advances shall be contracted on behalf of the corporation and no note or other evidence of indebtedness shall be issued in its name unless and except as the specific transaction is authorized by the Board of Directors. Without the express and specific authorization of the Board, no officer or other agent of the corporation may enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation.

ARTICLE 12. RECORDS AND REPORTS

Section 12.1 Maintenance and Inspection of Articles and Bylaws. The corporation shall keep at its principal office the original or a copy of its Articles of Incorporation and bylaws as amended to date, which shall be open to inspection by the directors at all reasonable times during office hours.

Section 12.2 Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns. The corporation shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

Section 12.3 Maintenance and Inspection of Other Corporate Records. The corporation shall keep adequate and correct books and records of accounts, and written minutes of the proceedings of the Board and committees of the Board. All such records shall be kept at such place or places designated by the Board of Directors, or, in the absence of such

designation, at the principal office of the corporation. The minutes shall be kept in written or typed form, and other books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form. Upon leaving office, each officer, employee, or agent of the corporation shall turn over to his or her successor or the chairperson or president, in good order, such corporate monies, books, records, minutes, lists, documents, contracts or other property of the corporation as have been in the custody of such officer, employee, or agent during his or her term of office.

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. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of documents.

Section 12.4 Preparation of Annual Financial Statements. The corporation shall prepare annual financial statements using generally accepted accounting principles. Such statements may be audited by an independent certified public accountant, in conformity with generally accepted accounting standards, under supervision of the Audit Committee established by these bylaws. The corporation shall make these financial statements available to the California Attorney General and members of the public for inspection no later than nine (9) months after the close of the fiscal year to which the statements relate.

Section 12.5 Reports. The Board shall cause an annual report to be sent to all directors, within 120 days after the end of the corporation's fiscal year, containing the following information:

- a. The assets and liabilities, including the trust funds, of this corporation at the end of the fiscal year;
- b. The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- c. The revenues or receipts of this corporation, both unrestricted and restricted for particular purposes, for the fiscal year;
- d. The expenses or disbursements of this corporation for both general and restricted purposes during the fiscal year; and
- e. The information required by Section 6322 of the Law concerning certain self-dealing transactions involving more than \$50,000 or indemnifications involving more than \$10,000 which took place during the fiscal year.
- f. The report shall be accompanied by any pertinent report of independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

Section 12.6 Fiscal Year. The fiscal year for this corporation shall begin on July 1 and shall end on June 30. The Board of Directors shall have the authority to change the fiscal year by resolution.

ARTICLE 13. AMENDMENTS

Section 13.1 Amendment of the Bylaws:

- a. Subject to any limitations contained in the Articles of Incorporation or any provisions of applicable law, these Bylaws may be amended or repealed, in whole or in part, and new bylaws may be adopted by the affirmative vote of the Directors alone. However, approval of the Members shall be required if the action would: (i) materially and adversely affect the rights of Members as to voting, dissolution, redemption, or transfer; (ii) increase or decrease the number of Members authorized in total or for any class; (iii) effect an exchange, reclassification or cancellation of all or part of the memberships; or (iv) authorize a new class of membership. Provided, however, that such amendment, repeal or adoption also requires approval by the Members of a class if such action would: (i) materially and adversely affect the rights, privileges, preferences, restrictions or conditions of that class as to voting, dissolution, redemption, or transfer in a manner different than such action affects another class; (ii) materially and adversely affect such class as to voting, dissolution, redemption or transfer by changing the rights, privileges, preferences, restrictions or conditions of another class; (iii) increase or decrease the number of memberships authorized for such class; (iv) increase the number of memberships authorized for another class; (v) effect an exchange, reclassification or cancellation of all or part of the memberships of such class; or (vi) authorize a new class of memberships. In addition, adoption of a bylaw which changes the fixed number of Directors, or changes the fixed number of Directors to a variable number, or vice versa may only be adopted by approval of the Members.
- b. Approval By Directors: Adoption of, amendment or repeal of bylaws, which can be by the approval of the Directors alone, shall be approved, subject to the power of the Members to adopt, amend or repeal such bylaws, by the vote of two-thirds (2/3) of the Directors present at any special or regular meeting of the Board of Directors at which a quorum is present. Notice of such meeting shall be in accordance with the notice provisions of Article VII, Section 7.7 of these Bylaws and shall specify the purpose of the meeting. The meeting shall not be held prior to expiration of the ten (10) day period specified in the next sentence. Notice of any change in the Bylaws by the Directors shall be given to the Members, and if 10% or more of the Members file written objections with the Association within ten (10) days after such notice is given, a meeting of the Members for approval of the change of the Bylaws shall be called.

Section 13.2 Approval By Members: Bylaws adopted, amended or repealed by approval of the Members shall be at any special or regular meeting duly called and held and approved or ratified by the affirmative vote of a majority of the votes represented and voting at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum) in accordance with Section 5034 of the Nonprofit Corporation Law, or by written ballot in accordance with Sections 5513 and

7513 of the Nonprofit Corporation Law. Notice of such meeting shall be in accordance with the notice provisions of Article II, Section 16 of these Bylaws.

Section 13.3 Effectiveness of Bylaws: Amendments to these Bylaws shall become effective immediately upon their approval and adoption unless the Board of Directors or Members, if the Members are required to approve amendments, provide that the amendments are to become effective at a later date.

ARTICLE 14. CORPORATE SEAL

The Board of Directors may adopt, use, and alter a corporate seal. The seal shall be kept at the principal office of the corporation. Failure to affix the seal to any corporate instrument, however, shall not affect the validity of that instrument.

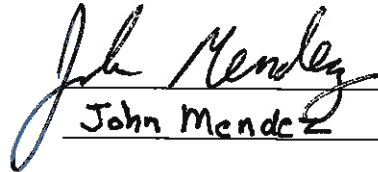
ARTICLE 15. CONSTRUCTION AND DEFINITIONS

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Corporation Law as amended from time to time shall govern the construction of these bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural and the plural number includes the singular, and the term "person" includes a corporation as well as a natural person. If any competent court of law shall deem any portion of these bylaws invalid or inoperative, then so far as is reasonable and possible (i) the remainder of these bylaws shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion deemed invalid or inoperative.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the currently elected and acting secretary of the Third Avenue Village Association, a California nonprofit mutual benefit corporation, and the above bylaws, consisting of 18 pages, are the restated bylaws of this corporation as adopted by the Members on August 6, 2014, and that they have not been amended or modified since that date.

Executed on August 6, 2014, at Chula Vista, California.



John Mendez, Secretary

