

RESTATED  
BYLAWS

OF

SANTA BARBARA ASSOCIATES  
A California Nonprofit Mutual Benefit Corporation

As Restated  
January, 2008

## INDEX

ARTICLE I	PRINCIPAL OFFICE	
Section 1.	Principal Office	1
ARTICLE II	MEMBERS	1
Section 1.	Classification of Members	1
Section 2.	Number of Members	1
Section 3.	Transferability of Membership	1
Section 4.	Initiation Fees and Dues	2
Section 5.	Assessments	2
Section 6.	Resignation of Membership	3
Section 7.	Termination of Membership	3
Section 8.	Good Standing	3
Section 9.	Membership List	3
Section 10.	Inspection Rights of Members	3
Section 11.	Certificates of Membership	4
Section 12.	Rights on Dissolution	5
ARTICLE III	MEETINGS OF MEMBERS	
Section 1.	Place of Meetings	5
Section 2.	Date and Time	5
Section 3.	Special Meetings	5
Section 4.	Notice of Meetings	5
Section 5.	Contents of Notice	6
Section 6.	Waivers, Consents and Approvals	6
Section 7.	Quorum	6
Section 8.	Loss of Quorum	7
Section 9.	Adjournment for Lack of Quorum	7
Section 10.	Voting of Membership	7
Section 11.	Action Without Meeting by Written Ballot	7
Section 12.	Conduct of Meetings	9
Section 13.	Inspectors of Election	9
ARTICLE IV	DIRECTORS	
Section 1.	Powers	10
Section 2.	Number of Directors	11
Section 3.	Qualifications	11
Section 4.	Election and Term of Office	12
Section 5.	Removal of Directors	12
Section 6.	Resignation of a Director	12
Section 7.	Vacancies on the Board	13
Section 8.	Compensation	13
Section 9.	Place of Meeting	13
Section 10.	Regular Meetings	13
Section 11.	Special Meetings	13
Section 12.	Quorum	14
Section 13.	Adjournment	14
Section 14.	Action Without Meeting	14

INDEX (Cont'd.)

ARTICLE IV	DIRECTORS	
Section 15.	Rights of Inspection	14
Section 16.	Committees	14
ARTICLE V	OFFICERS	15
Section 1.	Officers	15
Section 2.	Election	15
Section 3.	Subordinate Officers	16
Section 4.	Removal and Resignation	16
Section 5.	Vacancies	16
Section 6.	President	16
Section 7.	Vice Presidents	16
Section 8.	Secretary	17
Section 9.	Treasurer	17
ARTICLE VI	MISCELLANEOUS PROVISIONS	18
Section 1.	Inspection of Articles and Bylaws	18
Section 2.	Endorsement of Documents; Contracts	18
Section 3.	Construction and Definitions	18
Section 4.	Amendments	18
ARTICLE VII	INDEMNIFICATION	18
Section 1.	Definitions	18
Section 2.	Indemnification in Actions by Third Parties	19
Section 3.	Indemnification in Actions by or in the Right of the Corporation	19
Section 4.	Indemnification Against Expenses	20
Section 5.	Required Determinations	20
Section 6.	Advance of Expenses	20
Section 7.	Other Indemnification	20
Section 8.	Forms of Indemnification Not Permitted	21
Section 9.	Insurance	21
Section 10.	Nonapplicability to Fiduciaries of Employee Benefit Plans	21
CERTIFICATE OF SECRETARY		22

BYLAWS

OF

SANTA BARBARA ASSOCIATES

A California Nonprofit Mutual Benefit Corporation  
PRINCIPAL OFFICE

Section 1. Principal Office. The corporation's principal office is fixed and located at 1006 Santa Barbara Street, City of Santa Barbara, County of Santa Barbara, State of California. The Board of Directors is granted full power and authority to change the principal office from one location to another in the County. Any change shall be noted by the Secretary opposite this Article, but shall not be considered an amendment of these Bylaws.

II

MEMBERS

Section 1. Classification of Members. There shall be two classes of members known as "honorary" and "regular" members. Honorary members of the corporation shall be those persons appointed by a two-thirds (2/3) majority of the Board of Directors for a period of one (1) year, renewable upon a majority vote of the Board. Honorary members shall not be entitled to any of the voting rights set forth in Section 10, Article III of these Bylaws nor shall they be entitled to serve on the Board or hold office. Regular members of the corporation shall be those persons who have paid a membership fee, as determined by the Board, and whose application or membership has been approved by the Membership Committee, which shall be appointed by the Board in conformity with the provisions of Section 16 of Article IV of these Bylaws.

Section 2. Number of Members. The number of members shall be unlimited as to regular members and limited to ten (10) honorary members, and there shall be no limitation as to residence of members. A nonresident of the State of California may be admitted to membership.

Section 3. Transferability of Membership. The Board of Directors may provide by resolution for the transfer of memberships, subject to such restrictions or limitations as the Board deems appropriate, including transfer upon the death of a member.

Section 4. Initiation Fees and Dues.

(a) There shall be an initiation fee of Five Hundred Dollars (\$500.00) per regular member payable prior to admission to membership. The initiation fee (so fixed by the Board of Directors) may be changed from time to time by succeeding Boards of Directors, or may be omitted entirely.

(b) The annual dues payable to the corporation by regular members shall be in such amounts as shall be determined by resolution of the Board of Directors, but in no event shall the annual dues exceed Five Hundred Dollars (\$500.00).

(c) The dues, if any, shall be due and payable quarterly. The dues for the first quarter shall be due and payable January 1st of each year, the dues for the second quarter shall be due and payable April 1st of each year, the dues for the third quarter shall be due and payable July 1st of each year, and the dues for the fourth quarter shall be due and payable October 1st of each year. Said dues shall be considered delinquent ten (10) business days after said due date.

(d) A member, on learning of the amount of dues determined by the Board of Directors, may avoid liability for the dues by resigning from membership within ten (10) business days of receipt of notice thereof, except where the member is, by contract or otherwise, liable for the dues.

Section 5. Assessments.

(a) Regular memberships shall be subject to assessment for capital contributions to enable the corporation to acquire assets, provided, however, that assessments shall not exceed the total aggregate sum of One Hundred Dollars (\$100.00) per membership per year. The amount of each levy and the method of collection shall be fixed from time to time by the resolution of the Board of Directors of the corporation. Assessments shall be made payable at such times or intervals, and on such notice, as the Board shall prescribe. Any assessment exceeding One Hundred Dollars (\$100.00) shall be approved by a majority of the membership at a meeting held for the purpose of increasing the assessment.

(b) Any member, on learning of an assessment, may avoid liability for it by resigning from membership within ten (10) business days of receipt of notice thereof, providing that the member is not otherwise liable for the assessment by contract, as a condition to ownership of land, or otherwise.

Section 6. Resignation of Membership. Any member in good standing, whose account is fully paid, may resign, and such resignation shall be accepted at the next regularly scheduled meeting of the Board of Directors and shall be effective as of the date of resignation. No refund of prepaid dues shall be forthcoming regardless of the grounds for termination of membership.

Section 7. Termination of Membership. The Board of Directors may terminate or suspend a membership or expel or suspend a member for nonpayment of fees, periodic dues, or assessments or for conduct which the Board shall deem inimical to the best interests of the corporation, including, without limitation, flagrant violation of any provision of these Bylaws or failure to satisfy membership qualifications. The Board shall give the member who is the subject of the proposed action 15 days' prior notice of the proposed expulsion, suspension, or termination and the reasons therefor. The member may submit a written statement to the Board regarding the proposed action not less than five days before the effective date of the proposed expulsions, suspension, or termination. Prior to the effective date of the proposed expulsions, suspension, or termination, the Board shall review any such statement submitted and shall determine the mitigating effect, if any, of the information contained therein on the proposed expulsion, suspension, or termination. A suspended member shall not be entitled to exercise any of the voting rights set forth in Section 10 of Article III of these Bylaws.

Section 8. Good Standing. Any member who shall be in arrears in the payments of any installment of fees, periodic dues, or assessments more than twenty (20) days after their due date shall not be in good standing and shall not be entitled to exercise any of the voting rights set forth in Section of Article III of these Bylaws.

Section 9. Membership List. The corporation shall keep in written form a membership book containing the name and address of each member. Such book shall be kept at the principal office of the corporation and shall be subject to the rights of inspection required by law as set forth in Section 10 of this Article II.

Section 10. Inspection Rights of Members.

(a) Subject to the corporation's right to set aside a demand for inspection pursuant to Section 8331 of the Corporations Code and the power of the court to limit inspection rights pursuant to Section 8332 of the Corporations Code, and unless the corporation provides a reasonable alternative as permitted by Section 10(c) of this Article II, a member satisfying the qualifications set forth hereinafter may do either or both of the following:

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

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

(b) The rights of inspection set forth in Section 10(a) of this Article II may be exercised by the following:

(1) Any member, for a purpose reasonably related to such person's interest as a member; and

(2) The authorized number of members for a purpose reasonably related to the members' interest as members.

(c) The corporation may, within ten (10) business days after receiving a demand pursuant to Section 10(a) of this Article II, deliver to the person or persons making the demand a written offer of an alternative method of achieving the purpose identified in said demand without providing access to or a copy of the membership list. An alternative method which reasonably and in a timely manner accomplished the proper purpose set forth in a demand made pursuant to Section 10(a) of this Article II shall be deemed reasonable, unless within a reasonable time after acceptance of the offer, the corporation fails to do those things which it offered to do. Any rejection of the offer shall be in writing and shall indicate the reasons the alternative proposed by the corporation does not meet the proper purpose of the demand made pursuant to Section 10(a) of this Article II.

Section 11. Certificates of Membership. The corporation shall not issue membership certificates; however, the corporation reserves the right to issue identity cards or similar devices to members which serve to identify members qualifying to use the facilities or services of the corporation.

Section 12. Rights on Dissolution. In the event of the dissolution of the corporation, each regular member then in good standing, shall be entitled to a pro rata preference and priority, with other regular members in and to the excess of assets of the corporation remaining after payment of all indebtedness and costs of dissolution.

### III

#### MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of members shall be held at the principal office of the corporation or at such location within the State of California as may be designated from time to time by resolution of the Board of Directors.

Section 2. Date and Time. The members shall meet annually on the fourth Monday in January in each year, beginning with the year 1981, at 7:30 p.m. for the purpose of transacting such proper business as may come before the meeting, including the election of Directors for such terms as are fixed in Section 4 of Article IV of these Bylaws. If the election of Directors shall not occur at any such meeting of the members, or without a meeting by written ballot pursuant to Section 11 of this Article III, the Board shall or five (5) percent of the members may cause the election of Directors to be held at a special meeting of members called and held as soon as it is reasonably possible after the adjournment of the regular meeting of the members. If the day fixed for the regular meeting of members falls on a legal holiday, such meeting shall be held at the same hour and place on the next succeeding day.

Section 3. Special Meetings. Special meetings of members shall be called by the Board of Directors and held at such place within the State of California as is fixed in Section 1 of this Article III for regular meetings of members or at such times and places within the State of California as may be ordered by resolution of the Board of Directors or by five (5) percent of the members of the corporation. Where the purpose is any lawful purpose, five (5) percent or more of the members of the corporation may call special meetings for such purpose.

Section 4. Notice of Meetings.

(a) Written notice of every meeting of members shall be either personally delivered or mailed by first class United States Mail, postage prepaid, at least twenty-one (21) days before the date of the meeting to each member who on the record date for notice of the meeting is entitled to vote thereat.

(b) In the event given by mail or other means of written communication, the notice shall be addressed to the member at the address of such member appearing on the books of the corporation or at the address given by the member to the corporation for the purpose of notice. Where no such address appears or is given,

notice shall be given at the principal office of the corporation. The Secretary of the corporation, or any transfer agent specially designated by the Secretary for the purpose herein mentioned, shall execute an affidavit of the giving of the notice of the meeting of members. In the case of a specially called meeting of members,

notice that a meeting will be held at a time requested by the person or persons calling the meeting not less than thirty-five (35) days nor more than ninety (90) days after receipt of the written request from such person or persons by the president of the corporation shall be sent to the members forthwith and in any event within twenty (20) days after the request was received.

(c) When a members' meeting is adjourned to another time or place, and if the adjournment is for more than forty-five (45) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each member of record entitled to vote at the meeting.

Section 5. Contents of Notice. The notice shall state the place, date, and time of the meeting. In the case of regular meetings, the notice shall state those matters which the Board of Directors, at the time of the notice is given, intends to present for action by the members. The notice of any meeting at which Directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the members.

Section 6. Waivers, Consents and Approvals. The transactions of any meeting of members, however called and noticed, and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote but not present in person or by proxy signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 7. Quorum. A quorum at any meeting of members shall consist of thirty (30) percent of the voting power, represented in person or by proxy. For purposes of this bylaw, "voting power" means the power to vote for the election of directors at the time any determination of voting power is made and does not include the right to vote on the happening of some condition or event which has not yet occurred.

Section 8. Loss of Quorum. The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum, if such action taken, other than adjournment, is approved by at least a majority of members required to constitute a quorum.

Section 9. Adjournment for Lack of Quorum. In the absence of a quorum, any meeting of members may be adjourned from time to time by the vote of a majority of the votes represented either in person

or by proxy, but no other business may be transacted except as provided in Section 8 of this Article III.

Section 10. Voting of Membership.

(a) Subject to the provisions of Section 7612 of the California Nonprofit Mutual Benefit Corporation law, each regular member shall be entitled to one vote on each matter submitted to a vote of the members. Members who fail to be in good standing, as set forth in Section 8 of Article II of these Bylaws, shall not be entitled to vote on any matter.

(b) The Board of Directors shall fix, in advance, a date as the record date for the purposes of determining the members entitled to notice of and to vote at any meeting of members. Such former record date shall not be more than sixty (60) nor less than ten (10) days before the date of the meeting. Such latter record date shall not be more than sixty (60) days before the date of the meeting.

(c) Members entitled to vote, as set forth in Section 10(a) of this Article III, shall have the right to vote either in person or by a written proxy executed by such person or her duly authorized agent and filed with the Secretary of the corporation, except as otherwise expressly provided in the Articles of Incorporation of this corporation or in these Bylaws, provided, however, that a proxy shall not be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. The maximum term of any proxy shall be three (3) years from the date of its execution. Every proxy shall continue in full force and effect until revoked by the person executing it prior to the vote pursuant thereto.

Section 11. Action Without Meeting by Written Ballot.

(a) Subject to the limitations specified in Section 11(b) of this Article III and contained in the Articles of the corporation, any action which may be taken at any regular or special meeting of members, including election of the Board of Directors, may be taken without a meeting provided there is satisfaction of the following ballot requirements:

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

(2) The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal,

and provide a reasonable time within which to return the ballot to the corporation;

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

(4) The number of approvals equals or exceeds the number of votes that would be required to approve at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(b) Ballots shall be solicited in a manner consistent with the requirements of giving notice of members' meetings set forth in Section 4 of this Article III and of voting by written ballot set forth in Section 11(d) of this Article III. All such solicitations shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of Directors, shall state the percentage of approvals necessary to pass the measure submitted. The solicitation shall specify the time by which the ballot must be received in order to be counted.

(c) The form of written ballot distributed to ten (10) or more members shall afford an opportunity on the form of written ballot to specify a choice between approval and disapproval of each matter or group of related matters intended, at the time the written ballot is distributed, to be acted on by such written ballot. The form shall also provide, subject to reasonable specified conditions, that where the person solicited specifies a choice with respect to any such matter, the vote must be cast in accordance therewith. In any election of Directors, any form of written ballot in which the Directors to be voted on are named therein as candidates and which is marked by a member "withheld" or otherwise marked in a manner indicating that the authority to vote for the election of Directors is withheld shall not be voted either for or against the election of a Director.

(d) A written ballot may not be revoked.

## Section 12. Conduct of Meetings.

(a) The President of the corporation or, in the President's absence, any other person chosen by a majority of the voting members present in person or by proxy shall be Chairman of and shall preside over the meetings of the members.

(b) The Secretary of the corporation shall act as the secretary of all meetings of members; provided that in the Secretary's absence, the Chairman of the meetings of members shall appoint another person to act as secretary of the meetings.

(c) The Roberts' Rules of Order, as may be amended from time to time, shall govern the meetings of members insofar as such rules are not inconsistent with or in conflict with these Bylaws, the Articles of Incorporation of the corporation, the law, or rules governing agenda, motions, and related matters.

Section 13. Inspectors of Election.

(a) In advance of any meeting of members, the Board may appoint any persons, other than candidates for office, as inspectors of election to act at the meeting and any adjournment thereof. If the inspectors of election are not so appointed, or if any persons so appointed fail to appear or refuse to act, the Chairman of any meeting may, and on request of any member or member's proxy must, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If appointed at a meeting on the request of one or more members or proxies, the majority of members represented in person or by proxy shall determine whether one (1) or three (3) inspectors are to be appointed.

(b) The inspectors of election shall perform the following duties:

- (1) Determine the number of voting memberships outstanding, the number represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies;
- (2) Receive votes, ballots, or consents;
- (3) Hear and determine all challenges and questions in any way arising in connection with the right to vote;
- (4) Count and tabulate all votes and consents;
- (5) Determine when the polls shall close;
- (6) Determine the result; and
- (7) Do such acts as may be proper to conduct the election or vote with fairness to all members.

The inspectors shall perform their duties impartially in good faith, to the best of their ability, and as expeditiously as is practical.

(c) If there are three (3) inspectors of election, the decision, act, or certificate of a majority is effective in all respects as the decision, act, or certificate of all.

(d) On request of the Chairman or any member of member's proxy, the inspectors of election shall make a report in writing concerning the performance of their duties and execute a certificate of any fact found by them. Any report or certificate made by the inspectors shall be prima facie evidence of the facts stated therein.

## DIRECTORS

Section 1. Powers.

(a) Subject to limitations of the Articles of Incorporation, of these Bylaws, and of the California Nonprofit Mutual Benefit Corporation Law relating to action required to be approved by the members or by a majority of members, the activities and affairs of the corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of the corporation to any person or persons, a management company, or committees however composed, provided that the activities and powers shall be exercised under the ultimate direction of the Board. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers in addition to the other powers enumerated by these Bylaws:

(1) To select and remove all the other officers, agents, and employees of the corporation, prescribe powers and duties for them as may not be inconsistent with the law, the Articles, or these Bylaws and fix their compensation.

(2) To conduct, manage, and control the affairs and activities of the corporation and to make such rules and regulations therefor not inconsistent with law, the Articles, or these Bylaws, as they may deem best.

(3) To fix penalties for violation of the rules and of the provisions of these Bylaws, and to enforce the same.

(4) To report to the members at the annual meeting the condition of the corporation.

(5) To authorize the issuance of memberships of the corporation from time to time, upon such terms and for such consideration as may be lawful.

(6) To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgagees, pledges, hypothecations, or other evidences of debt and securities therefor, provided such expenditures shall not exceed the sum of Five Thousand Dollars (\$5,000.00) without the prior approval of a majority of the members present at any meeting of the corporation.

Section 2. Number of Directors.

(a) The authorized number of Directors shall not be less than ten (10) nor more than twenty-five (25) until changed by amendment of the Articles or by a Bylaw duly adopted and approved by the members. The exact number of Directors shall be sixteen (16), fifteen (15) of whom shall be elected by the members. This number shall be fixed from time to time, within the limits specified in this Section, by an amendment to this Section duly adopted by approval of the members as that term is defined in Section 5034 of the Corporations Code.

(b) The Immediate Past President shall be the sixteenth (16th) member of the Board of Directors so long as she retains said position.

(c) The Board may, from time to time, upon the vote of the majority of the Directors present at a meeting called for such purpose, designate any member in good standing who has served as a member of the Board as an Honorary Director. Said Honorary Directors shall serve as nonvoting members of the Board for a term of one (1) year, only, unless reappointed by the Board.

Section 3. Qualifications. The Directors of the corporation shall be residents of the State of California. With the exception of the initial Directors, the Directors shall also be members of the corporation.

Section 4. Election and Term of Office.

(a) The Board shall be divided into three (3) groups consisting of five members each. The Directors shall hold staggered terms in blocks of five (5) Directors each. One group shall hold office until the next following annual meeting of members, the second group shall hold office until the second following annual meeting of members, and third group shall hold office until the third following annual meeting of members. The Directors in each group shall hold office until such annual meeting and until their respective successors are elected and qualified.

(b) At each annual meeting of members, five Directors shall be elected by the entire membership to fill those terms which shall have expired at the time of such meeting. No member shall serve as a Director for more than two (2) successive terms of three (3) years each. After a Director has served two successive terms, one year shall elapse before said Director shall be eligible for reelection to the Board, it being understood that the period between the annual meeting at which a term shall have expired and the next annual meeting of the members constitutes one year even if somewhat less than 365 days because of the respective dates of the meetings.



Section 5. Removal of Directors.

(a) The Board may declare vacant the office of a Director on the occurrence of any of the following events:

(1) The Director has been declared of unsound mind by a final order of court;

(2) The Director has been convicted of a felony; or

(3) The Director has been found by a final order or judgment of any court to have breached duties imposed by Section 7238 of the Corporations Code on directors who perform functions with respect to assets held in charitable trust; or

(4) The Director has had two (2) or more unexcused absences from regularly scheduled meetings of the Board.

Section 6. Resignation of a Director. Any Director may resign effective on giving written notice to the Chairman of the Board of Directors, the President, the Secretary, or the Board of Directors of the corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

Section 7. Vacancies on the Board.

(a) Vacancies on the Board of Directors shall exist on the death, resignation, or removal of any Director; whenever the number of Directors authorized is increased; and on the failure of the members in any election to elect the full number of Directors authorized.

(b) Except for a vacancy created by the removal of a Director pursuant to Section 5 of this Article IV, vacancies on the Board of Directors may be filled by a majority of the Directors then in office, whether or not less than a quorum, or by a sole remaining Director.

(c) Vacancies created by removal of Directors shall be filled only by the approval of the members within the meaning of Section 5034 of the Corporations code. The members may elect a Director at any time to fill any vacancy not filled by the Directors.

Section 8. Compensation. The Directors shall serve without compensation.

Section 9. Place of Meeting. Regular or special meetings of the Board shall be held at any place within or without the State of California which has been designated from time to time by the

Board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation.

Section 10. Regular Meetings.

(a) Immediately following each annual meeting of members the Board shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business.

(b) Monthly meetings of the Board shall be held on such day of the week as the Board of Directors shall from time to time determine.

Section 11. Special Meetings. Special meetings of the Board may be called by the President or any Vice-President or the Secretary or any three (3) Directors. Special meetings shall be held on four (4) days' notice by first class mail, postage prepaid, or on forty-eight (48) hours' notice delivered personally or by telephone. Notice of the special meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of such notice to such Director. All such waivers, consents, and approval shall be filed with the corporate records or made a part of the minutes of the meetings.

Section 12. Quorum. Seven (7) Directors constitute a quorum of the Board for the transaction of business, except to adjourn as provided in Section 13 of this Article IV. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number be required bylaw or by the Articles, except 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 such meeting.

Section 13. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment to another time or place must be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 14. Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board individually or collectively consent in writing to such action. Such written consent or consents shall be

filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of such Directors.

Section 15. Rights of Inspection. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation.

Section 16. Committees.

(a) The Board may appoint one or more committees, each consisting of two or more Directors, and delegate to such committees any of the authority of the Board except with respect to:

(1) The approval of any action for which the California Nonprofit Mutual Benefit Corporation Law also requires approval of the members or approval of a majority of all members;

(2) The filling of vacancies on the Board or in any committee;

(3) The nomination of Directors or Officers; or

(4) The amendment or repeal of bylaws or the adoption of new bylaws; or

(5) The amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;

(6) The appointment of other committees of the Board or the members thereof.

(b) Any such committee must be created, and the members thereof appointed, by resolution adopted by a majority of the authorized number of Directors then in office, provided a quorum is present, and any such committee may be designated an Executive Committee or by such other name as the Board shall specify. The Board may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of this Article IV applicable to meeting and actions of the Board. Minutes shall be kept to each meeting of each committee.

## OFFICERS

Section 1. Officers. The Officers of the corporation shall be a President, a Secretary, and a Treasurer. The corporation may also have, at the discretion of the Board, one or more Vice-Presidents and such other officers as may be elected or appointed in accordance with the provisions of Section 3 of this Article V. Any number of offices may be held by the same person unless the Articles or these Bylaws provide otherwise.

Section 2. Election.

(a) The Officers of the corporation, except such Officers as may be elected or appointed in accordance with the provisions of Section 3 or Section 5 of this Article V, shall be chosen annually by, and shall serve at the pleasure of, the Board, and shall hold their respective offices until their resignation, removal, or other disqualification from service, or until their respective successors shall be elected.

(b) The Board shall meet on the day following the annual election of the Board of Directors at such time and place as the President or the Vice President, in the absence or disability of the President, shall designate for purposes of electing the officers of the corporation.

Section 3. Subordinate Officers. The Board may elect, and may empower the President to appoint, such other Officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 4. Removal and Resignation. Any Officer may be removed, either with or without cause, by the Board at any time or, except in the case of an Officer chosen by the Board, by any Officer upon whom such power of removal may be conferred by the Board. Any such removal shall be without prejudice to the rights, if any, of the Officer under any contract of employment of the Officer.

Any Officer may resign at any time by giving written notice to the corporation, but without prejudice to the rights, if any, of the corporation under any contract to which the Officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. 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 election or appointment to such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

Section 6. President. The President is the general manager chief executive officer of the corporation and has, subject to the control of the Board, general supervision, direction, and control of the business and Officers of the corporation. The President shall preside at all meetings of the members and at all meetings of the Board. The President has the general powers and duties of management usually vested in the office of president and general manager of a corporation and such other powers and duties as may be prescribed by the Board.

Section 7. Vice-Presidents. In the absence or disability of the President, the Vice Presidents, in order of their rank as fixed by the Board, 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-Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board.

Section 8. Secretary.

(a) The Secretary shall keep or cause to be kept at the principal office or such other place as the Board may order, a book of minutes of all meetings of members, the Board, and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board and committee meetings, the number of members present or represented at members' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California the original or a copy of the corporation's Articles and Bylaws, as amended to date.

(b) The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board and any committees thereof required by these Bylaws or by law to be given, and shall have such other powers and perform such other duties as may be prescribed by the Board.

Section 9. Treasurer.

(a) The Treasurer is the chief financial officer of the corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, and shall send or cause to be sent to the members of the corporation such financial

statements and reports as are by law or these Bylaws required to be sent to them. The books of account shall at all times be open to inspection by any Director.

(b) The Treasurer shall deposit 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. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board, shall render to the President and the Directors, whenever they request it, an account of all transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board.

## VI

### MISCELLANEOUS PROVISIONS

Section 1. Inspection of Articles and Bylaws. The corporation shall keep in its principal office in the State of California the original or a copy of its Articles and of these Bylaws as amended to date, which shall be open to inspection by members at all reasonable times during office hours.

Section 2. Endorsement of Documents; Contracts. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the corporation and any other person, when signed by the President or any Vice President, and the Secretary or the Treasurer of the corporation shall be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, and, unless so authorized by the Board, no Officer, agent, or employee shall have any power or authority to bind the corporation by any contractor engagement or to pledge its credit or to render it liable for any purpose or amount.

Section 3. Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the General Provisions of the California Nonprofit Corporation Law and in the California Nonprofit Mutual Benefit Corporation Law shall govern the construction of these Bylaws.

Section 4. Amendments. These Bylaws may be amended by the vote or written assent of two thirds (2/3) of the membership.



## VII

### INDEMNIFICATION

Section 1. Definitions. For the purposes of this Article VII, "agent" means any person who is or was a Director, Officer, employee, or other agent of the corporation; "proceeding" means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or 5(c) of this Article VII.

Section 2. Indemnification in Actions by Third Parties. The corporation shall have 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 the corporation to procure a judgment in its favor or an action brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such 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 the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. Indemnification in Actions by or in the Right of the Corporation.

(a) The 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 the corporation, or brought under Section 5233 of the California Nonprofit Public Benefit Corporation Law, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:



(1) In respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation in the performance of such person's duty to the corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine; or

(2) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval.

Section 4. Indemnification Against Expenses. To the extent that an agent of the corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article VII of 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.

Section 5. Required Determinations.

(a) Except as provided in Section 4 of this Article VII, any indemnification under this Article VII shall be made by the corporation only if authorized in the specific case, upon 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 Section 2 or 3 of this Article VII, by:

(1) A majority vote of a quorum consisting of Directors who are not parties to such proceeding;

(2) Approval of the members, with the persons to be indemnified not being entitled to vote thereon; or

(3) The court in which such proceeding is or was pending upon application made by the 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 the corporation.

Section 6. Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by the corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VII.

Section 7. Other Indemnification. No provision made by the corporation to indemnify its Directors or Officers for the defense of any proceeding, whether contained in the Articles, Bylaws, a resolution of members or Directors, an agreement, or otherwise, shall be valid unless consistent with this Article VII. Nothing contained in this Article VII shall affect any

right to indemnification to which persons other than such Directors and Officers may be entitled by contract or otherwise.

Section 8. Forms of Indemnification Not Permitted.

(a) No indemnification or advance shall be made under this Article VII, except as provided in Section 4 or 5(c), in any circumstances where it appears:

(1) That it would be inconsistent with a provision of the Articles, these Bylaws, 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

(2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 9. Insurance. The corporation shall have power to 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 the corporation would have the power to indemnify the agent against such liability under the provisions of this Article VII.

Section 10. Nonapplicability to Fiduciaries of Employee Benefit Plans. This Article VII does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the corporation defined in Section I of this Article VII. The corporation shall have power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

That I am the Secretary of SANTA BARBARA ASSOCIATES, a California Corporation: and

That the foregoing Restated Bylaws, consisting of seven (7) articles and twenty two (22) pages, constitute the Bylaws of said corporation as duly approved by majority vote of the members of this corporation, at a meeting of the membership held on January 25, 2008 at the University Club, 1332 Santa Barbara Street, Santa Barbara, California.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the corporation this 28th day of January, 2008.

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Denise Lockhart  
Secretary