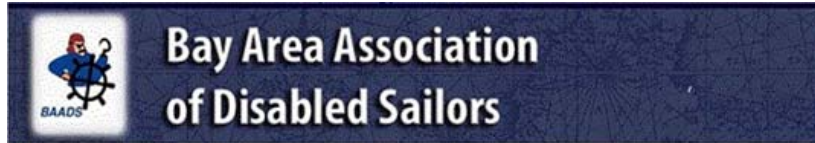


# **BYLAWS**

**OF THE**

**BAY Area Association OF DISABLED SAILORS**

**(a California Nonprofit Public Benefit Association))**



# **BYLAWS**

## **OF THE**

# **BAY Area Association OF DISABLED SAILORS**

**(a California Nonprofit Public Benefit Association))**

### **ARTICLE 1: NAME**

The name of this California nonprofit public benefit Association is the Bay Area Association of Disabled Sailors (“*BAADS Association*” or simply “*Association*” as used within these Bylaws).

### **ARTICLE 2: PURPOSES**

Section 1. This Association has been formed for charitable purposes to promote and develop sailing education, learn-to-sail and sailboat racing programs for members and non-members of BAADS Association with physical limitations, and those who wish to assist those with such limitations.

Section 2. The BAADS Association mission is to make all aspects of sailing accessible. BAADS Association Programs include the opportunity to learn, teach and participate in sailing and racing on the San Francisco Bay. Throughout the year, BAADS Association offers opportunities for training, racing and sailing in small boats and keel boats that are specially adapted to meet the needs of individuals with physical limitations. In addition, racing regattas and “fun on the bay” events are held annually. Outreach to organizations with a focus on the disabled community, is regularly performed to ensure the community is aware of the programs offered by BAADS Association.

Section 3. In addition, BAADS Association has been formed for the purposes of performing all things incidental to, or appropriate in, the achievement of the foregoing specific and primary purposes. The Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its primary charitable purposes. This Association shall hold, and may exercise, all such powers as may be conferred upon a nonprofit Association 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 Association. In no event, however, shall the Association engage in activities, which are not permitted to be carried on by the Association exempt under Section 501(c) (3) of the United States Federal Internal Revenue Code of 1986 (“*IRC*”).

### **ARTICLE 3: PRINCIPAL OFFICE**

The principal office of the Association shall be located in the City of San Francisco, County of San Francisco, State of California, in the United States of America. The Board of Directors may at any time, or from time to time, change the location of the principal office from one location to another within said city and county. The Board of Directors may at any time establish branch offices at any place where the Association is qualified to do business. The mailing address of the Association is BAADS Association, Pier 40, The Embarcadero, San Francisco, California, 94107, United States of America and its web address is [www.baads.org](http://www.baads.org).

### **ARTICLE 4: NONPARTISAN ACTIVITIES**

This Association has been formed under the California Nonprofit Public Benefit Association Law (the “*Law*”) for the charitable purposes described above, and it shall be nonpartisan. No substantial part of the activities of the Association shall consist of the carrying on of propaganda or otherwise attempting to influence legislation. The Association shall not participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

### **ARTICLE 5: DEDICATION OF ASSETS**

The properties and assets of BAADS Association are irrevocably dedicated to charitable purposes. No part of the net earnings, properties, or assets of BAADS Association, on dissolution or otherwise, shall inure to the benefit of any private person or individual, including, but not limited to any member of the Board of directors or officer of this Association. On liquidation or dissolution, all remaining properties and assets of the Association shall be distributed and paid over to an organization dedicated to charitable purposes which has established its tax-exempt status under Section 501(c)(3) of the IRC.

### **ARTICLE 6: MEMBERSHIP**

Section 1. Qualifications. This Association shall have one class of members as follows: any person, including an individual or organization, that subscribes to the purposes and basic policies of the Association and whose admission will contribute to the Association's ability to carry out its charitable purposes, shall be eligible for membership on approval of the membership application by the Board of Directors and on timely payment of such dues and fees as the Board of Directors may fix from time to time. No person shall hold more than one membership although the Board of Directors may authorize family or organizational group memberships to facilitate participation by family members and other organization members, as considered necessary and appropriate by the Association’s Board of Directors

Section 1.1 Notwithstanding any other limitation on Membership, no person may be denied Membership or participation in BAADS Association on the grounds of race, color, religion, age, sex, national origin, sexual orientation, disability, or ability to pay dues.

Section 1.2, Participation in BAADS Association activities is governed by a Code of Conduct and individuals may not be allowed to participate or be asked to terminate their participation in BAADS Association activities if they do not agree with or fail to abide by the BAADS Association Code of Conduct. This Code of Conduct is presented in Appendix A to these Bylaws, and may be amended and restated, from time to time, by the Board of Directors to incorporate appropriate revisions consistent with the purposes of this Association.

Section 2. Rights of Membership. Members shall have the right to vote on the election of members of the Board of directors, the disposition of all or substantially all of the Association's assets, any merger with another charitable organization, any decision to dissolve the Association, the amendment of the Association's Articles of Association, the ratification at a general membership meeting of any amendment to the Association's Bylaws adopted by the Board of Directors, and such other matters as set forth in these bylaws and the Law. In addition, members shall have all rights afforded members under the Law and these bylaws. This Association may benefit, serve, or assist persons who are not members, but may restrict the provision of certain benefits, services, and assistance to members. A family or organization member may designate in writing the name or position of the individual(s) entitled to vote or exercise its rights and to receive notices on behalf of the family or organization member. The member may amend such designation at any time, and all such designations and amendments thereto shall be filed with the records of this Association. No member shall be entitled to any dividend or any part of the income of the Association.

Section 3. Other Persons Associated with the Association. The Association may refer to persons associated with it as "members," even though those persons do not meet the qualifications for membership as set forth in Article 6, Section 1 of these bylaws, but no such reference shall constitute anyone as a member under the Law. The Board of Directors of the Association may grant some or all of the nonvoting rights of members, as set forth in these bylaws, to any person that does not have the right to vote on any of the matters submitted to a vote of the members, but no such person shall be a member under the Law.

Section 4. Dues, Fees, and Assessments. Each member must pay, within the time and on the conditions set by the Board of Directors, the dues, fees, and assessments in amounts to be fixed from time to time by the Board of Directors. Those members who have timely paid the required dues, fees, and assessments and who are not suspended shall be members in good standing. The Board of Directors may require the payment of dues, fees, and assessments, in amounts to be fixed from time to time, by those persons associated with the Association as described in Article 6, Section 3 of these bylaws.

Section 5. Termination of Membership. A membership shall terminate on occurrence of any of the following events:

- (a) death, dissolution or Resignation of the member, on reasonable notice to the Association in the case of resignation;
- (b) Expiration of the period of membership, unless the membership is renewed on the renewal terms fixed by the Board of Directors;
- (c) Failure of the member to pay dues, fees, or assessments as set by the Board of Directors within thirty (30) days after they become due and payable;

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

(e) Expulsion of the member under Article 6, Section 7 of these bylaws based on the good faith determination by the Board of Directors, or a committee or person authorized by the Board of Directors to make such a determination, that the member has failed in a material and serious degree to observe the Code of conduct of the Association, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Association.

Section 6. Suspension of Membership. A member may be suspended under Article 6, Section 7 of these bylaws, based on the good faith determination by the Board of Directors, or a committee or person authorized by the Board of Directors to make such a determination, that the member has failed in a material and serious degree to observe the Association's Code of conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Association. A person whose membership is suspended shall not be a member during the period of suspension.

Section 7. Procedure for Expulsion or Suspension. If grounds appear to exist for expulsion or suspension of a member under Article 6, Sections 5 or 6 of these bylaws, the procedure set forth below shall be followed:

(a) The member shall be given fifteen (15) days' notice, by any method reasonably calculated to provide actual notice, of the proposed expulsion or suspension and the reasons therefore. Any notice given by mail shall be sent by first-class, registered, or certified mail to the member's last address as shown on the Association's records. Any notice sent by email shall be sent to the member's last known email address as shown on the Association's records,

(b) The member shall be given an opportunity to be heard, either orally or in writing, at least five (5) days before the effective date of the proposed expulsion or suspension. The hearing shall be held, or the written statement considered, by the Board of Directors or by a committee or person authorized by the Board of Directors to determine whether the expulsion or suspension should take place.

(c) The Board of Directors, committee, or person shall decide whether or not the member should be suspended, expelled or sanctioned in some other way. The decision of the Board of Directors, committee or person shall be final.

(d) Any action challenging an expulsion, suspension, or termination of membership, including a claim alleging defective notice must be commenced within one (1) year after the date of the expulsion, suspension, or termination.

Section 8. No Transferability of Membership. No membership or right arising from membership may be transferred. All membership rights cease on the member's death or dissolution or termination of membership pursuant to Article 6, Section 5 of these bylaws.

Section 9. Liability for Debts or Obligations. A member of the Association is not, as such, personally liable for the debts, liabilities, or obligations of the Association.

Section 10. Place of Meeting. Meetings of the members shall be held at any place within or outside California designated by the Board of Directors. In the absence of any such designation, members' meetings shall be held at the Association's principal office.

Section 11. Regular Annual Meeting. A regular meeting of members shall be held at least once a year, sometime towards the end of the calendar year of each year. The Board of Directors shall fix the date and time and notify members as provided in Article 6, Section 13. At this meeting, members of the Board of directors shall be elected in an election year, the actions of the Board of Directors since the last annual member meeting shall be ratified, and any other proper business may be transacted.

Section 11.1. Periodic Member Meetings. Unless otherwise ordered by the Board of Directors, there shall be periodic meetings of the membership of the Association during each calendar year at a place, time and frequency to be designated by the Board of Directors. The purpose of the meetings will be to update the membership on the status of BAADS Association programs, activities and operations.

Section 11.2. Notice of any annual or periodic ~~regular~~ membership meetings of BAADS Association shall be posted on the Association's website or distributed to members via email in accordance with the notice provisions of Section 13 of this Article 6.

Section 11.3 No notice of annual or periodic membership meetings shall be required if the Board of Directors fixes, by resolution, the usual day, time and place of the annual or periodic regular meeting.

Section 12. Special Meetings. A special meeting of the members for any lawful purpose may be called at any time by the Board of Directors, or by the members upon the request of ten percent (10%) or more of the members. A special meeting called by any person, other than the Board of Directors, entitled to call a meeting shall be called by written request, specifying the general nature of the business proposed to be transacted, and submitted to the Commodore of the Association or the secretary of the Association. The officer receiving the request shall cause notice to be given promptly to the members entitled to vote, in accordance with Article 6, Section 13 of these bylaws, stating that a special meeting will be held at a specified time and date fixed by the Board of Directors, provided, however, that the meeting date shall be at least thirty- (30) but no more than ninety (90) days after receipt of the request. If the notice is not given within twenty (20) days after the request is received, the person or persons requesting the special meeting may give the notice. Nothing in this Section 12 shall be construed as limiting, fixing, or affecting the time at which a special meeting of members may be held when the special meeting is called by the Board of Directors. No business, other than the business, the general nature of which was set forth in the notice of the special meeting, may be transacted at a special meeting.

Section 13. Notice of Meetings. Whenever members are required or permitted to take action at a meeting, a written notice of the meeting shall be given at least ten (10) but no more than ninety (90) days before the meeting date to each member entitled to vote at that meeting. The notice shall be given either personally, by electronic delivery via email, by first-class, registered, or certified mail, or by other means of written communication, charges prepaid, and shall be addressed to each member entitled to vote at the address of that member appearing on the books of the Association or at the address given by the member to the Association for purposes of notice. If notice is given by mail, and the notice is not mailed by first-class registered, or certified mail, that notice shall be given not less than 20 days before the meeting. Notice shall not be given by email or other

electronic transmission if the Association has received confirmation that two consecutive email messages have failed to be delivered to the member by that means or the inability to so deliver the notices to the member becomes known to the secretary of the Association or any person responsible for the giving of the notice. If no address appears on the Association's books and no address has been so given, notice shall be deemed to have been given if either sent in writing (electronically or otherwise) to the Association's principal office, noted on the Association's website, or published at least once in a newspaper of general circulation in the county in which the Association's principal office is located. An affidavit of the mailing or other means of giving any notice of any members' meeting may be executed by the secretary of the Association or any other party of the Association giving the notice, and if so executed, shall be filed and maintained in the Association's records. Notices shall specify the place, date, and time of the meeting and (1) for a special meeting, the general nature of the business to be transacted, or (2) for a regular meeting, those matters which the Board of Directors, at the time notice is given, intends to present for action by the members, but except as provided in Article 6, Section 14 of these bylaws, any proper matter may be presented at the meeting. The notice of any meeting at which members of the Board of directors are to be elected shall include the names of all persons who are nominees when notice is given. Approval by the members of any of the following proposals, other than by unanimous approval by those entitled to vote, is valid only if the notice or written waiver of notice states the general nature of the proposal or proposals:

- (a) Removing a member of the Board of directors without cause;
- (b) Filling vacancies on the Board of Directors;
- (c) Amending the Articles of Association or Bylaws;
- (d) Electing to wind up and dissolve the Association;
- (e) Approving a plan of merger or consolidation; or
- (f) Disposing of all or substantially all of the Association's assets.

Section 14. Quorum. Five percent (5%) of the voting power shall constitute a quorum for the transaction of business at any meeting of members provided, however, that if any regular meeting is actually attended in person or by proxy by less than twenty five percent (25%) of the voting power, the only matters that may be voted on are those of which notice of their general nature was given pursuant to Article 6, Section 13, of these bylaws. Subject to the foregoing, 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 any action taken, other than adjournment, is approved by at least a majority of the members required to constitute a quorum, or such greater number as required by the Articles of Association, these bylaws, or the Law.

Section 15. Adjournment. Any member meeting, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. No meeting may be adjourned for more than forty-five (45) days.

When a member meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which adjournment is taken. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting shall be given to each member who, on the record date for notice of the meeting, is entitled to vote at the meeting. At the adjourned meeting, the Association may transact any business that might have been transacted at the original meeting.

Section 16. Voting. Members entitled to vote at any meeting of members shall be those members in good standing as of the record date determined under Article 6, Section 20 of these bylaws. At a meeting, voting may be by voice or ballot, except that any election of directors must be by ballot ~~if demanded by any member at the meeting before the voting begins~~. Each member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members. Family Memberships shall be entitled to cast up to two votes per family membership. Cumulative voting is prohibited. If a quorum is present, the affirmative vote of a majority of the voting power represented at the meeting, entitled to vote and voting on any matter shall be the act of the members, unless the vote of a greater number or voting by classes is required by the Articles of Association, these bylaws, or the Law. In any election of members of the Board of directors, the candidates receiving the highest number of votes are elected. Each member shall have the right to vote for as many nominees as there are vacancies on the Board of Directors to be filled by the members.

Section 17. Waiver of Notice or Consent by Absent Members. The transactions of any meeting of members, however called or noticed and whenever held, shall be as valid as though taken 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 member entitled to vote, 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. The waiver of notice, consent, or approval need not specify either the business to be transacted or the purpose of any meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in the last paragraph of Article 6, Section 13 of these bylaws, the waiver of notice, consent, or approval shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the Association's records or made a part of the minutes of the meeting. A member's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting, unless the member objects at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the notice of the meeting but not so included, if that objection is expressly made at the meeting.

Section 18. Action by Unanimous Written Consent. Any member action may be taken without a meeting and without prior notice, if all members consent in writing to the action. The written consents shall be filed with the minutes of the member proceedings. The action by written consent shall have the same force and effect as the unanimous vote of the members.

Section 19. Action by Written or Electronic Ballot Without a Meeting. Any action, including the election of members of the Board of directors, which may be taken at any meeting of members, may be taken without a meeting and without prior notice by complying with the provisions of this Section 19 concerning written or Electronic ballots. The Association shall distribute one written



ballot, or make available electronic ballots, to each member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner required by the first paragraph of Article 6, Section 13 of these bylaws, or shall be presented electronically to all members on the BAADS Association website.

Section 19.1. All solicitations of votes by written or electronic ballot shall:

- (a) indicate the number of responses needed to meet the quorum requirement;
- (b) with respect to ballots other than for election of members of the Board of directors, state the percentage of approvals necessary to pass the measure or measures; and
- (c) specify the time by which the ballot must be received in order to be counted.

Section 19.2... Each ballot so distributed or presented shall

- (a) set forth the proposed action;
- (b) provide the members an opportunity to specify approval or disapproval of each proposal; and
- (c) provide a reasonable time within which to return the ballot or vote electronically to the Association.

Section 19.3. In any election of members of the Board of directors, a written or electronically submitted ballot that a member marks "withhold", or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for or against the election of a member of the Board of directors.

Section 19.4. Approval by written or electronically submitted ballot shall be valid only when the number of votes cast by ballot, including those ballots marked in a manner indicating that authority to vote is withheld, within the time specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number of votes cast was the same as the number of votes cast by written or electronically submitted ballots without a meeting.

Section 19.5. A written or electronically submitted ballot may not be revoked. All written or electronically submitted ballots shall be filed with or electronically retained by the secretary of the Association and maintained in the Association's records.

Section 20. Record Date. For purposes of determining the members entitled to notice of any meeting, entitled to vote at any meeting, entitled to vote by written or electronic ballot, or entitled to exercise any rights with respect to any lawful action, the Board of Directors may, in advance, fix a record date. A member at the close of business on the record date shall be a member of record. The record date so fixed:

- (a) For notice of a meeting shall not be more than ninety (90) nor less than ten (10) days before the date of the meeting. If not otherwise fixed by the Board of Directors, the record date shall be the next business day preceding the day on which notice is given or, if notice is waived, the next business day preceding the day on which the meeting is held.

(b) For voting at a meeting shall not be more than sixty (60) days before the date of the meeting. If not otherwise fixed by the Board of Directors, the record date shall be the day on which the meeting or adjourned meeting is held.

(c) For voting by written or electronic ballot shall not be more than sixty (60) days before the day on which the first written or electronic ballot is mailed or solicited. If not otherwise fixed by the Board of Directors, the record date shall be the day on which the first written ballot is mailed or solicited.

(d) For any other action shall not be more than sixty (60) days before that action. If not otherwise fixed by the Board of Directors, the record date shall be the date on which the Board of Directors adopts the resolution relating to that action, or the 60th day before the date of that action, whichever is later.

Section 21. Proxies. Each member entitled to vote shall have the right to do so either in person or by one or more agents authorized by a written proxy, signed by the member and filed with the secretary of the Association. Any proxy covering matters for which a vote of the members is required shall not be valid unless the proxy sets forth the general nature of the matter to be voted on or, with respect to an election of members of the Board of directors, the proxy lists those who have been nominated at the time the notice of the vote is given to the members. In any election of members of the Board of directors, any form of proxy that a member marks "withhold," or otherwise marks in a manner indicating that authority to vote for the election of members of the Board of directors is withheld, shall not be voted either for or against the election of a member of the Board of directors. A validly executed proxy shall continue in full force and effect until revoked by the member executing it, before the vote is cast under that proxy, by a writing delivered to the Association stating that the proxy is revoked, by a subsequent proxy executed by that member and presented to the meeting, or as to any meeting, by that member's personal attendance and voting at the meeting. No proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of a proxy shall be three years from the date of execution. A proxy may not be irrevocable.

Section 22. Election of Members of the Board of Directors. Every other calendar year, members of the Board of Directors shall be elected.

Section 22.1 Nominations for Members of the Board of Directors. Beginning at least 120 (120) days prior to the end of an election calendar year, Members may nominate to the Board of Directors, or nominating committee thereof, potential members of the Board of Director candidates at a membership meeting called for the purpose of soliciting such nominations, or by other means of communication to the Board of Directors if no such special meeting is called for these purposes. Such nominations may be made during the time period set for such nominations by the Board of Directors, and such time period for nominations may not be shorter than thirty (30) days.

Section 22.2. Nominating Committee. The Board of Directors may appoint a committee to nominate qualified candidates for election to the Board of Directors, and if such a nominating committee is appointed, the appointment shall occur at least 120 days before the date of any election of members of the Board of directors. This nominating committee, if appointed, shall consider the

nominations of the members as indicated in Section 22.1, shall consider other nominations as appropriate, and make its report to the Board of Directors at least ninety (90) days before the date of the election, or at such other time as the Board of Directors may set. In nominating candidates, the Board of Directors, or nominating committee comprised of members of the Board of Directors, shall seek to achieve the following goals regarding the nominees: diversity of backgrounds and skills relevant to the needs of the Association, and such other goals as the Board of Directors may establish including BAADS Association's general policy of inclusion of persons with physical and mental limitations and shall be elected in accordance with this Section 22.

Section 22.3. The Board of Directors shall formulate procedures that allow a reasonable opportunity for a nominee to communicate to members the nominee's qualifications and the reasons for the nominee's candidacy, a reasonable opportunity for the nominee to solicit votes, and a reasonable opportunity for all members to choose among the nominees. Without Board of Director authorization, no corporate funds may be expended to support a nominee for director after more people have been nominated for open Board of director positions than can be elected.

Section 22.4. The secretary of the Association shall forward to each member, with the notice of election required by these bylaws, a list of all candidates nominated by committee or directly by the Board of Directors under this section, how they may vote, the period of time during which members can vote, and other relevant information as required by these Bylaws pertaining to the election.

Section 22.5 After notice is sent to members concerning the election of members of the Board of Directors, and until the date specified in the notice of election of members of the Board of Directors, Members may vote by written or electronic ballot for members of the Board of Directors. Each Member may vote once for each available member of the Board of Director positions in accordance with the voting rights of members as contained within these Bylaws.

Section 22.6. If after the close of nominations the number of people nominated is not more than the number of members of the Board of directors to be elected, the Board of Directors of the Association may without further action declare that those nominated and qualified to be elected have been elected to the Board of Directors of the Association.

Section 22.7 The Secretary of the Association shall cause to have counted all written and / or electronic ballots cast by members on or after the final date set for voting in the election for members of the Board of Directors. The Results of the Election will be announced by the Board of Directors of the Association before the end of the calendar year in which the election takes place. This announcement may be made at a membership meeting, Association newsletter, or otherwise in an appropriate manner in the discretion of the Board of Directors.

## **ARTICLE 7: BOARD OF DIRECTORS**

Section 1. Powers. Subject to the provisions and limitations of the Law and any other applicable laws, and subject to any limitations in the Articles of Association or bylaws regarding actions that require approval of the members, the business and affairs of the Association 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 Association to a management company, committee (however composed), or other person, provided that the activities and affairs of the Association shall be managed and all Association powers shall be exercised under the ultimate direction of the Board of Directors.

Section 1.1. Qualifications. Members of the Board of Directors are Members of BAADS Association elected by the Membership to serve on the Board of Directors, as provided in these bylaws.

Section 2. Number of Directors. A fifteen (15) member Board of Directors shall govern this Association. The number of directors may be changed by amendment or revision of these bylaws, or by repeal of these bylaws and adoption of new bylaws, provided that the number of members of the Board of Directors is an odd number to minimize the risk of equally split votes on matters before the Board of Directors.

Section 3. Election, Designation, and Term of Office of Directors. The currently serving Board of Directors shall serve until their successors have been elected. The currently serving Board of Directors are divided into two (2) approximately equal groups and designated to serve staggered two (2) year terms so that every other year only approximately half of the positions on the Board of Directors will come up for election. The term of office of each member of the Board of directors shall be two (2) years. However, if all of the directors to be elected are not elected at any regular meeting, they may be elected at any special members' meeting held for that purpose or by written or electronic ballot. Each member of the Board of directors, including a member of the Board of director selected to fill a vacancy, shall hold office until expiration of the term for which elected and until a successor has been elected and qualified. Members of the Board of Directors may serve any number of consecutive terms.

Section 3.1 Directors Emeritus. Past Directors are entitled to represent themselves as a Director Emeritus; however, directors removed by the membership shall be ineligible to represent themselves in this capacity. The title of Directors Emeritus is an honorific and such Director Emeritus shall not be required to attend meetings of the Board.

Section 4. Vacancies. A vacancy on the Board of Directors shall exist on the occurrence of the following:

(a) the death or resignation of any director;

(b) the declaration by resolution of the Board of Directors of a vacancy in the office of a member of the Board of directors 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 the Law dealing with standards of conduct for a member of a Board of Directors, has missed three (3) consecutive meetings of the Board of Directors without permission from the Commodore, or has missed a total of four (4) meetings of the Board of Directors without permission from the Commodore during any one calendar year;

(c) the vote of the members to remove a member of the Board of Directors;

(d) an increase in the authorized number of members of the Board of directors; or

(e) the failure of the members to elect the number of members of the Board of directors required to be elected in such election.

Section 4.1. Except as provided in this Section 4 of Article 7, any member of the Board of directors may resign effective upon giving written or electronic notice to the Commodore of BAADS Association), the Secretary of the BAADS Association, 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.

Section 4.2. Unless the California Attorney General is first notified, no member of the Board of directors may resign when the Association would then be left without a duly elected director in charge of its affairs.

Section 4.3. Except for a vacancy created by the removal of a member of the Board of directors by the members, vacancies on the Board of Directors may be filled by vote of a majority of the remaining members of the Board of directors then in office, whether or not the number of members of the Board of Directors then in office is less than a quorum, or by vote of a sole remaining director. The members may fill any vacancy not filled by the Board of directors.

Section 4.4. Prior to the removal of any member of the Board of Directors, the member of the Board of directors to be removed shall have been notified in writing in the manner set forth in Article 6, Section 13 that such action would be considered at the meeting at which removal is voted.

Section 4.5. No reduction of the authorized number of members of the Board of directors shall have the effect of removing any member of the Board of directors before that Board of director member's term of office expires.

Section 5. Meetings. The Board of Directors shall meet within a reasonable period of time after each regular annual meeting of members for purposes of organization, election of officers, and transaction of other business. Other regular meetings of the Board of Directors shall be held at such times as are fixed by the Board of Directors.

Section 5.1. Meetings may be held in person, telephonically, or electronically. If a meeting is to be held in person, the meeting may be at any physical place designated by resolution of the Board of Directors, or, if not designated, at the principal office of the Association. A meeting to be held in person may be held at any place consented to in writing or electronically by all the members of the Board of directors, either before or after the meeting. Consents shall be filed with the minutes of the meeting. Any meeting may be held by conference telephone or other communications equipment permitted by the Law, as long as all members of the Board of directors participating in the meeting can communicate with one another and all other requirements of the

Law are satisfied. All such members of the Board of directors shall be deemed to be present in person at such meeting.

Section 5.2. Meetings of the Board of Directors for any purpose may be called at any time by the Commodore of the BAADS Association the Secretary of the BAADS Association, or any two (2) members of the Board of directors.

Section 5.3. Notice of the date, time, and place of any Board of Director meetings shall be delivered personally to each member of the Board of directors, communicated to each member of the Board of directors by telephone (including a voice messaging system which records and communicates messages), facsimile transmission, electronic mail at least four (4) days before the date of the meeting, communicated by telegraph, express mail service, first-class mail, or by other means of written communication, charges prepaid, addressed to the member of the Board of directors at the member of the Board of directors address as it is shown upon the records of the Association, deposited in the mail or given to the telegraph company or express mail company or other carrier at least seven (7) 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 member of the Board of directors 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 member of the Board of directors. 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 Association's records or made a part of the minutes of the meeting.

Section 6. Quorum, Action at a Meeting. The presence of a majority of the members of the Board of Directors then in office or one third (1/3) of the authorized number of members of the Board of Directors, whichever is greater, at a meeting of the Board of Directors constitutes a quorum for the transaction of business, except as otherwise provided in these Bylaws.

Section 6.1. Two examples will illustrate this quorum rule of section 6 of Article 7.

(a) Example 1. Assume that there are 15 members of the Board of Directors authorized and existing. At that point in time, it would take 8 members of the Board of Directors to constitute a quorum as 8 represents a simple majority of the 15 then existing Board of Director members), and 8 is greater than 5 which is 1/3 of the 15 authorized number of Board of Director members for purposes of this example.

(b) Example 2. Assume that at a given point in time there were 15 authorized members of the Board of Directors and all but 7 members of the Board of Directors have resigned. At that point in time, it would take 5 members of the Board of Directors to constitute a quorum out of the 7 remaining Board of Director members as 5 represents 1/3 of the authorized number of Board of Director members, and 5 is larger than 4 which would represent a mere simple majority of the 7 then existing members of the Board of Directors in this example.

Section 6.2. Every act done or decision made by a majority of the members of the Board of 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 members of the Board of directors from voting, is required by the Articles of Association, these bylaws, or the Law. Members of the Board of 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 any number of members of the Board 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 Association, these bylaws or the Law.

Section 7. Adjourned Meeting and Notice. A majority of the members of the Board of 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 members of the Board of 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.

Section 8. Action Without a Meeting. The Board of Directors may take any required or permitted action without a meeting, if all members of the Board of Directors shall individually or collectively consent in writing, electronically or otherwise, to such action. Such written, electronically or otherwise, consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written, electronically or otherwise, consent shall have the same force and effect as the unanimous vote of such members of the Board of directors. For purposes of this section only, "all members of the Board of Directors" does not include any "interested directors" as defined in the Law.

Section 9. Fees and Compensation. Members of the Board of Directors and members of committees of the Board of Directors 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 provided in Article 8, Section 2, as may be fixed or determined by resolution of the Board of Directors. Members of the Board of Directors may not be compensated for rendering services to the Association in any capacity other than as a member of the Board of directors, unless such compensation is reasonable and approved as provided in Article 8, Section 4.

## **ARTICLE 8: STANDARD OF CARE**

Section 1. General. A member of the Board of directors shall perform the duties of a member of the Board of directors, including duties as a member of any committee of the Board of Directors on which the member of the Board of directors may serve, in good faith, in a manner such member of the Board of Directors believes to be in the best interest of the Association 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 member of the Board of directors, a member of the Board of directors 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 Association whom the member of the Board of directors believes to be reliable and competent in the matters presented;

(b) Counsel, independent accountants or other persons as to matters which the member of the Board of directors believes to be within such person's professional or expert competence; or (c) A committee of the Board of Directors upon which the member of the Board of directors does not serve, as to matters within its designated authority, which committee the member of the Board of directors believes to merit confidence, so long as in any such case, the member of the Board of directors 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. Except as provided in Article 8, Section 3.B, a person who performs the duties of a member of the Board of directors in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a member of the Board of directors, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the Association, or assets held by it, are dedicated.

Section 2. Loans. This Association shall not make any loan of money or property to, or guarantee the obligation of, any member of the Board of directors or officer, unless approved by the California Attorney General; provided, however, that this Association may advance money to a member of the Board of directors or officer of the Association for expenses reasonably anticipated to be incurred in performance of the duties of such officer or member of the Board of directors so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

Section 3. Conflict of Interest Policy. The purpose of the conflict of interest policy is to protect the Association's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one or more of its officers or members of the Board of 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 conflict of interest applicable to nonprofit and charitable Associations and is not intended as an exclusive statement of responsibilities.

Section 3.1) Definitions. Unless otherwise defined, the terms used in this Section have the following meanings:

1. "Interested Persons" - Any member of the Board of directors, principal officer, or member of a committee with the Board of Director 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 Association has a transaction or arrangement;

(b) A compensation arrangement with the Association or with any entity or individual with which the Association 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 Association is negotiating a transaction or arrangement.



For these purposes, the term “Compensation” includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. 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 Board decides that a conflict of interest exists.

### Section 3.2. 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 members of the Board of 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 of Director meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board of Director members shall decide if a conflict of interest exists.

3. **Procedure For Addressing The Conflict Of Interest** In the event that the Board of Directors determines that a proposed transaction or arrangement presents a conflict of interest, the Board of Directors shall take the following actions:

(a) An interested person may make a presentation at the Board of Directors 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 of Directors 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 of Directors shall determine whether the Association 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 of Directors shall determine by a majority vote of the disinterested Board of Directors whether the transaction or arrangement is in the Association’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 of Directors 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 of Directors 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 of Directors 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 of Director'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.

6. Annual Statements Each member of the Board of Directors, principal officer and member of a committee with Board of Director delegated powers shall annually acknowledge, by signing or affirmatively acknowledging in a Board of Director meeting, a statement which affirms such person:

(a) Has received a copy of the conflict of interest policy;

(b) Has read and understands the policy;

(c) Has agreed to comply with the policy; and

(d) Understands the Association is charitable and in order to maintain its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

#### Section 4. Compensation.

Section 4.1. ) Definitions Unless otherwise defined, the terms below have the following meanings:

1. "Highest Compensated Employee" - Any employee of the Association, 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.

2. "Highest Compensated Independent Contractor" - Any independent contractor engaged by the Association, 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.

Section 4.2. No member of the Board of Directors, officer, Highest Compensated Employee or Highest Compensated Independent Contractor may receive compensation, directly or

indirectly, from the Association unless such compensation is first determined by the disinterested members of the Board of Directors, or an authorized committee thereof, to be just and reasonable to the Association.

(a) 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 Association. 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.

(b) No director, principal officer, 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 members of the Board of Directors as described in the conflict of interest policy above.

Section 5. Board of Director Compensation. The Board shall review the fairness of compensation, including benefits, paid to the Commodore, if anything, Officers of the Association the Treasurer and others upon the occurrence of the following events:

(a) The officer is hired;

(b) The officer's term of employment is extended or renewed; or

(c) The officer's compensation is modified, unless such modification occurs pursuant to a general modification of compensation that extends to all employees.

Section 6. Periodic Reviews. Periodic reviews shall be conducted to ensure the Association 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:

Section 6.1. ) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

Section 6.2. Whether partnerships, joint ventures, and arrangements with management companies conform to the Association'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.

When conducting the periodic reviews as provided for above, the Association may, but need not, use outside advisors. If outside experts are used their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted

Section 7. Restriction on Interested members of the Board of 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 Association 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 member of the Board of directors as a member of the Board of Directors; 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 Association.

Section 8. Indemnification. To the fullest extent permitted by law, the Association shall indemnify its "agents", as described in the Law, including its members of the Board of directors, officers, employees, and volunteers, 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 the Law, and including an action by or in the right of the Association, by reason of the fact that the person is or was a person described in THE Law. "Expenses" shall have the same meaning as in the Law.

Section 8.1. Such right of indemnification shall not be deemed exclusive of any other rights to which such persons may be entitled apart from this Article 8, Section 8. 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 Association before final disposition of the proceeding upon receipt by the Association 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 Association for those expenses.

Section 8.2. The Association shall have power to purchase and maintain insurance to the fullest extent permitted by law on behalf of any member of the Board of Directors, any Officer, or any agent of the Association, 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 1. Committees of members of the Board of Directors. The Board of Directors may, by resolution adopted by a majority of the members of the Board of 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 of Directors to the extent of the powers specifically delegated in the resolution of the Board of Directors, or in these bylaws. Each such committee shall consist of two (2) or more members of the Board of 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 committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of 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 of Directors. However, no committee, regardless of Board of Director resolution, may:

(a) Approve any action that, under the Law or the Articles of Association or these bylaws, also requires approval of the members or approval of a majority of all members;

(b) Fill vacancies on, or remove members of, the Board of Directors or in any committee that has the authority of the Board of Directors;

(c) Fix compensation of the members of the Board of Directors for serving on the Board of Directors or on any committee;

(d) Amend or repeal the Articles of Association 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 Association 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 the Law; or

(i) Expend Association funds to support a nominee for a member of the Board of Directors after there are more people nominated for membership on the Board of Directors than can be elected.

No committee shall bind the Association in a contract or agreement or expend Association funds, unless authorized to do so by the Board of Directors.

Section 2. 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 Article 7, Section 5, 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 filed with the Association's records. The Board of Directors may adopt rules not inconsistent with the provisions of these bylaws for the government of any committee.

Section 3. Executive Committee. Pursuant to Article 9, Section 1, the Board of Directors may appoint an Executive Committee composed of three (3) or more members of the Board of directors, one of whom shall be the Commodore to serve as the Executive Committee of the Board of Directors. The Executive Committee, unless limited in a resolution of the Board of Directors, shall have and may exercise all the authority of the Board of Directors in the management of the business and affairs of the Association between meetings of the Board of Directors; provided, however, that the Executive Committee shall not have the authority of the Board of Directors in reference to those matters enumerated in Article 9, Section 1. The secretary of the Association shall send to each member of the Board of Directors a summary report of the business conducted at any meeting of the Executive Committee.

Section 4. Audit Committee. The Board of Directors may from time to time, appoint an Audit Committee to review the financial status or transactions of the Association.

Section 4.1. Notwithstanding Article 9, Section 1, which shall otherwise govern any Audit Committee's operations, if an Audit Committee is formed, the Audit Committee may be comprised of one or more persons and may include persons other than members of the Board of directors of the Association. The membership of the Audit Committee shall not include the following persons:

(a) The Commodore of the Association;

(b) The treasurer of the Association;

(c) Any employee of the Association; or

(d) Any person with a material financial interest in any entity doing business with the Association.

Section 4.2. In the event that the Board of Directors appoints a Finance Committee, members of the Finance Committee must constitute less than one-half of the membership of the Audit Committee, if an Audit Committee is formed, and the Chair of the Finance Committee shall not serve on any such Audit Committee.

Section 4.3. If an Audit Committee is formed, the Audit Committee shall make recommendations to the Board of Directors regarding the hiring and termination of an auditor, who may be an independent certified public accountant, or any other competent financial professional capable of reviewing, examining and auditing the books of the Association for accuracy, integrity, and completeness. The Chair of any Audit Committee may be authorized by the Board to negotiate the compensation of the auditor or other competent financial professional.

Section 4.4. if an Audit Committee is formed, the Audit Committee shall confer with the auditor to satisfy the members that the Association's financial affairs are in order, and shall review and determine whether to accept the audit, financial review or other examination of the financial records of the Association. In the event that the auditor's firm provides non-audit or other financial professional provides services to the Association, any Audit Committee shall ensure that the

auditor's firm or other financial professional adheres to the standards for auditor independence set forth in the latest revision of the Government Auditing Standards published by the Comptroller General of the United States, or any standards by the Attorney General of California, or any other reasonable standards appropriate to the Association's situation.

Section 5 Standing Membership Committees. The Board of Directors or Commodore may establish Standing Membership Committees which do not have the authority of the Board of Directors and may be comprised of one (1) or more members of the Board of Directors, and should include members who are not on the Board of Directors appointed by the Commodore. Standing Membership Committees shall be established by resolution of the Board of Directors.

## **ARTICLE 10: OFFICERS**

Section 1. Officers. The officers of the Association shall consist of a Commodore, Vice Commodore, treasurer, Secretary and such other officers as the Board of Directors may designate by resolution. The same person may hold any number of offices, except that neither the secretary nor the treasurer may serve concurrently as the Commodore. In addition to the duties specified in this Article 10, 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 Association, 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. The officers shall be chosen by the Board of Directors from amongst its membership at its first meeting following each Board of Director election, and shall serve at the pleasure of the Board of Directors, 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 of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the Commodore, or the secretary of the Association, without prejudice to the rights, if any, of the Association 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 2. Commodore. The Commodore shall, when present, preside at all meetings of the Board of Directors, Executive Committee and membership. The Commodore is authorized to execute in the name of the Association all contracts and other documents authorized either generally or specifically by the Board of Directors to be executed by the Association.

Section 3. Vice Commodore. The vice Commodore shall, in the absence of the Commodore, or in the event of his or her inability or refusal to act, perform all the duties of the Commodore, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Commodore.

Section 4. Secretary. The secretary, or his or her designee, shall be custodian of all records and documents of the Association which are to be kept at the principal office of the Association, shall act as secretary of all the meetings of the Board of Directors and the members, 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 Association, and shall see that the seal of the Association, if one is adopted, is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these bylaws.

Section 5. 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 Association, 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 Association 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 Association as may be ordered by the Board of Directors, and shall render to the Commodore and members of the Board of directors, whenever they request it, an account of all of the treasurer's transactions as treasurer and of the financial condition of the Association. If required by the Board of Directors, the treasurer shall give the Association a bond in the amount and with the surety or sureties specified by the Board of Directors for faithful performance of the duties of the treasurer's office and for restoration to the Association of all its books, papers, vouchers, money and other property of every kind in the treasurer's possession or under the treasurer's control on the treasurer's death, resignation, retirement, or removal from office. The Association shall pay the cost of such bond.

Section 6. Program Directors. The Board of Directors may, from time to time, establish program directors to administer the various programs of the Association.

Section 6.1. Keelboat Program Director. The Board of Directors may elect from amongst its membership a Keelboat Program Director who shall oversee the Keelboat Program and may appoint program assistants with the advice and consent of the Board of Directors to assist in those duties.

Section 6.2. Small Boat Program Director. The Board of Directors may elect from amongst its membership a Small Boat Program Director who shall oversee the Small Boat Program and may appoint program assistants with the advice and consent of the Board of Directors to assist in those duties.

Section 6.3. Other Program Directors. The Board of Directors may elect from amongst its membership other program Directors for a variety of programs including, but not limited to a Veterans Program, Racing Program, Blind Sailing Program, etc. Such program directors will oversee such Programs and may appoint program assistants with the advice and consent of the Board of Directors to assist in those duties.



## **ARTICLE 11: EXECUTION OF Association INSTRUMENTS**

Section 1. Execution of Association 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 Association or organization instrument or document, or to sign the Association name without limitation, except when otherwise provided by law, and such execution or signature shall be binding upon the Association. Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the Association, promissory notes, deeds of trust, mortgages, and other evidences of indebtedness of the Association, and other Association instruments or documents, memberships in other Associations, and certificates of shares of stock owned by the Association, shall be executed, signed, or endorsed by the Commodore Vice-Commodore or the and by the 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 Association, or in special accounts of the Association, shall be signed by such person or persons as the Board of Directors shall authorize to do so.

Section 2. Financial and Bank accounts. The officers of the Association are authorized to open bank accounts, close bank accounts, merge bank accounts, dispose of bank accounts, and otherwise handle any and all financial and / or banking account transactions, in the ordinary course of business of the Association.

Section 3. Loans and Contracts. No loans or advances shall be contracted on behalf of the Association 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 of Directors, no officer or other agent of the Association may enter into any indebtedness contract or execute and deliver any contractual instrument in the name of and on behalf of the Association.

## **ARTICLE 12: RECORDS AND REPORTS**

Section 1. Maintenance and Inspection of Articles and Bylaws. The Association shall keep at its principal office or electronically on its website the original or a copy of its Articles of Association and bylaws, as amended from time to time, to date, which shall be open to inspection by the members and members of the Board of Directors at all reasonable times during office hours.

Section 2. Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns. The Association shall keep at its principal office or electronically on its website a copy of its United States federal tax exemption application, the determination letter from the Internal Revenue Service of the Association's United states Federal tax exempt status, the determination letter from the California franchise Tax Board of its California tax exempt status, and its annual information returns, which shall be open to public inspection and copying to the extent required by law.

Section 3. Maintenance and Inspection of Other Association Records. The Association shall keep adequate and correct books and records of accounts; written minutes of the proceedings of its

members, Board of Directors, and committees of the Board of Directors; and a record of each member's name and address. 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 Association or electronically on the Association's website. 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 Association shall turn over to his or her successor or the Commodore,, in good order, such Association monies, books, records, minutes, lists, documents, contracts or other property of the Association as have been in the custody of such officer, employee, or agent during his or her term of office. Every member of the Board of Directors 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 Association and each of its subsidiary Associations. 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. On written demand to the Association, any member may inspect, copy, and make extracts of the accounting books and records and the minutes of proceedings of the members, the Board of Directors, and committees of the Board of Directors at any reasonable time for a purpose reasonably related to the member's interest as a member. Subject to the Law, unless the Association provides a reasonable alternative as provided below, any member may do either or both of the following for a purpose reasonably related to the member's interest as a member:

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

(b) Obtain from the secretary of the Association, on written demand and tender of a reasonable charge, an alphabetized list of names, addresses, and voting rights of members who are entitled to vote for the election of members of the Board of Directors as of the most recent record date for which that list has been compiled, or as of the date, after the date of demand, specified by the member. The demand shall state the purpose for which the list is requested. The secretary shall make this list available to the member on or before the later of ten days after (i) the demand is received or (ii) the date specified in the demand as the date as of which the list is to be compiled. The Association may, within ten (10) business days after receiving a demand under this Section, make a written offer of an alternative method of reasonable and timely achievement of the proper purpose specified in the demand without providing access to or a copy of the membership list. Any rejection of this offer must be in writing and must state the reasons that the proposed alternative does not meet the proper purpose of the demand.

Section 3.1. If the Association reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member, or if it provides a reasonable alternative under this Section, it may deny the member access to the membership list.

Section 3.2. Any inspection and copying under this Section may be made in person or by the member's agent or attorney. The right of inspection includes the right to copy and make extracts. Any right of inspection extends to the records of any subsidiary of the Association.

Section 4. Preparation of Annual Financial Statements. The Association may prepare annual financial statements using generally accepted accounting principles or such other standards as would be normal, appropriate and customary for an Association of the size and type of the BAADS Association. Any such statements prepared annually, or otherwise, may be reviewed, examined or audited by an independent certified public accountant or other financial professional capable of reviewing, examining and auditing the books and records of the Association to determine the accuracy, integrity and completeness of the Association's books and records, in conformity with generally accepted accounting standards or such other standards as would be normal, appropriate and customary for an Association of the size and type of the BAADS Association, under supervision of the Audit Committee, if one is established by the Board of Directors. If prepared, the Association 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 5. Reports. The Board of Directors may cause an annual report to the members to be prepared, and if prepared, be sent to all members of the Board of Directors, within 120 days after the end of the Association's fiscal year (and to members upon appropriate request), containing some or all of the following information:

(a) The assets and liabilities, including the trust funds, of the Association 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 the Association both unrestricted and restricted for particular purposes, for the fiscal year;

(d) The expenses or disbursements of the Association for both general and restricted purposes during the fiscal year; and

(e) The information required by 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.

Section 5.1. Any such annual report, if prepared, shall be accompanied by any pertinent report, if one is prepared, from the Association's financial auditor or other financial professional, who reviewed the Association's financial records for the period of the annual report, and if there is no such report, the certificate of an authorized officer of the Association that the annual report were prepared without audit or review from the books and records of the Association.

Section 5.2. The Association shall furnish any member who so requests a copy of any report filed by the Association with the California Attorney General. The Association may impose reasonable charges for copying and mailing this report to a member.

### **ARTICLE 13: FISCAL YEAR**

The fiscal year for the Association shall begin on January 1 and shall end on December 31.

### **ARTICLE 14: AMENDMENTS AND REVISIONS**

Section 1. Subject to the rights of members under this Article 14, the Board of Directors may adopt, amend, or repeal bylaws by affirmative vote of a majority of the members of the Board of directors then in office, unless the action would materially and adversely affect the members' rights as to voting. Proposed amendments to these bylaws must be in writing, electronically or otherwise, and sent to the members of the Board of directors at least 24 hours in advance of the Board of Directors meeting at which they will be considered for adoption. The Board of Directors may not extend the term of a member of the Board of directors beyond that for which the members elected the particular member of the Board of directors. Once members have been admitted to the Association, the Board of Directors may not, without the approval of the members, adopt, amend, or repeal a bylaw provision that specifies or changes a fixed number of members of the Board of directors or the minimum or maximum number of members of the Board of directors, or changes from a fixed number of members of the Board of directors to a variable number of members of the Board of directors or vice versa. If any provision of these bylaws requires the vote of a larger proportion of the Board of Directors than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote. Without the approval of the members, the Board of Directors may not adopt, amend, or repeal any bylaws that would:

- (a) Increase or extend the terms of members of the Board of directors;
- (b) Increase the quorum for members' meetings;
- (c) Repeal, restrict, create, expand, or otherwise change members' proxy rights;
- (d) Authorize cumulative voting;
- (e) Increase the number of members of the Board of Directors appointed by the Board of Directors, rather than elected by the members; or
- (f) Authorize the Board of Directors to fill a vacancy created by the removal of a member of the Board of Directors by the members.

### **ARTICLE 15: Association SEAL**

The Board of Directors may adopt, use, and alter AN Association seal. The seal, if one is adopted, shall be kept at the principal office of the Association. Failure to affix the seal to any Association instrument, however, shall not affect the validity of that instrument.

## **ARTICLE 16: CONSTRUCTION AND DEFINITIONS**

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Nonprofit Association 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 the Association 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.

March 2017

## Appendix A

### BAADS Code of Conduct

Respect. Communication. Appreciation.

To enhance the BAADS mission of making sailing accessible, safe and fun for all who may participate in BAADS activities, all participants shall follow these basic rules and guidelines when participating in BAADS activities, meetings and events.

1. Be nice. Have an open-minded, inclusive, and respectful attitude towards other participants, volunteers, and members of the community engaged in the activity.
2. Be calm. Do not engage in violent or aggressive behavior towards anyone or any property while engaged in a BAADS activity.
3. Be prepared. While on a BAADS activity, wear appropriate sun protection, bring appropriate clothing and footwear, bring whatever nourishment you might need to eat and water to drink, secure and protect any electronic or other adaptive equipment before boarding any boat or traveling on any adjacent dock.
4. Be safe. All participants must wear a personal flotation device before boarding any BAADS or South Beach Yacht Club vessel. Children (under 12) must wear a personal flotation device on any BAADS or South Beach Yacht Club vessel or adjacent dock at all times. Personal flotation devices are available for all participants to use while engaging in any BAADS association activity free of charge.
5. Be aware. BAADS strives to make all aspects of sailing inclusive and accessible to the public. Before casting off, your Skipper will review your ability to understand and follow safety, sailing and emergency procedure instructions, ask how much you desire to participate in sailing the boat and begin planning accommodations to permit your maximum participation. Help your Skipper develop any accommodations you may require by listening to all instructions and communicate any issues you may have with any aspect of the BAADS activity.
6. Be attentive. Promptly follow all instructions of the Program Directors, Dockmasters, and Skippers and abide by all BAADS dock and sailing policies.
7. Be smart. No participant shall consume intoxicating drugs or alcohol prior to or during BAADS or South Beach Yacht Club sailing activities. You are responsible for determining the effect of any medication you need to take a whether taking it will prevent you from safely participating in any such sailing activities, and if so, to postpone your participation until it is safe to do so.
8. Be courteous. Smoking (including use of e-cigarettes) is not permitted on any BAADS or South Beach Yacht Club vessel, the adjacent docks, or any facility in or around which no smoking is allowed.

9. help others help you. Be sure to provide accurate emergency contact information on any signup sheets, BAADS waiver, activity registration form, etc., and to the skipper before taking off on a sail; be sure to inform the skipper on any sail of any physical or other limitations you have or might encounter while sailing which might limit your ability to participate in the activity.

10. Be a good BAADS representative. All participants in BAADS activities must display their BAADS member identification card or wear a name tag while enjoying the facilities of the South Beach Yacht Club after a BAADS activity. Please read the BAADS Guest Policy before entering the South Beach Yacht Club on the BAADS website at [www.baads.org](http://www.baads.org).

11. Be inquisitive. Ask a BAADS Program Director, Dockmaster, or Skipper to clarify these Code of Conduct provisions or any other instructions, if you have questions.

12. Be warned. BAADS reserves the right to revoke participation in BAADS activities to anyone who is not following these Code of Conduct provisions, and / or subject such individuals to appropriate disciplinary action in accordance with BAADS policies.


March 17, 2017

**CERTIFICATE OF SECRETARY**

I, Chris Rubke, the undersigned, certify that I am the presently elected and acting secretary of the Bay Area Association of Disabled Sailors ("BAADS Association"), a California nonprofit public benefit Association, and the above bylaws, consisting of thirty (30) pages, are the bylaws of this Association as adopted by the Board of Directors of the BAADS Association on March 19, 2017, , and that they have not been amended or modified since that date.

Executed as of march 19, 2017, in the City of San Francisco, in the County of san Francisco, in the State of California in the United states of America.

/s/



\_\_\_\_\_

Title: BAADS Secretary

Printed Name: Chris Rubke