

BYLAWS
OF THE
BAADS, INC.
(a California Nonprofit Public Benefit Corporation)

Table of Contents

ARTICLE 1: NAME.....	1
ARTICLE 2: PURPOSES.....	1
ARTICLE 3: PRINCIPAL OFFICE.....	2
ARTICLE 4: NONPARTISAN ACTIVITIES.....	2
ARTICLE 5: DEDICATION OF ASSETS.....	2
ARTICLE 6: MEMBERSHIP.....	2
ARTICLE 7: BOARD OF DIRECTORS.....	11
ARTICLE 8: STANDARD OF CARE.....	14
ARTICLE 9: COMMITTEES.....	19
ARTICLE 10: OFFICERS.....	20
ARTICLE 11: EXECUTION OF ORGANIZATION INSTRUMENTS.....	22
ARTICLE 12: RECORDS AND REPORTS.....	22
ARTICLE 13: FISCAL YEAR.....	25
ARTICLE 14: AMENDMENTS AND REVISIONS.....	25
ARTICLE 15: CERTAIN TRANSACTIONS.....	26
ARTICLE 16: INDEMNIFICATION AND INSURANCE.....	26
ARTICLE 17: CORPORATE SEAL.....	27
ARTICLE 18: CONSTRUCTION AND DEFINITIONS.....	27

BYLAWS
OF THE
BAADS, INC.
(a California Nonprofit Public Benefit Corporation)

ARTICLE 1: NAME

The name of this California nonprofit public benefit corporation is BAADS, Inc. (“**BAADS**” or the “**Organization**”).

ARTICLE 2: PURPOSES

Section 1. The Organization has been formed for charitable and educational purposes of promoting and developing learn-to-sail programs and competitive sailing opportunities for members of the Organization, individuals with physical limitations, and those who wish to assist those with such limitations.

Section 2. The Organization’s mission is to make all aspects of sailing accessible. The Organization’s programs include the opportunity to learn, teach and participate in sailing and racing on the San Francisco Bay. Throughout the year, BAADS 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.

Section 3. In addition, BAADS 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 Organization shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its primary charitable and educational purposes. The Organization shall hold, and may exercise, all such powers as may be conferred upon a nonprofit public benefit corporation by the laws of the State of California and as may be necessary or expedient for the administration of the affairs and attainment of the purposes of the Organization. In no event, however, shall the Organization engage in activities that are not permitted to be carried on by a nonprofit public benefit corporation 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 Organization 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 of BAADS (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 Organization is qualified to do business. The mailing address of BAADS is Pier 40, The Embarcadero #16, San Francisco, California, 94107, United States of America and its web address is www.baads.org.

ARTICLE 4: NONPARTISAN ACTIVITIES

The Organization has been formed under the California Nonprofit Public Benefit Corporation Law (the “*Law*”) for the charitable and educational purposes described above, and it shall be nonpartisan. No substantial part of the activities of the Organization shall consist of the carrying on of propaganda or otherwise attempting to influence legislation. The Organization 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 are irrevocably dedicated to charitable and educational purposes. No part of the net earnings, properties, or assets of BAADS, 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 the Organization. On liquidation or dissolution, all remaining properties and assets of the Organization shall be distributed and paid over to an organization dedicated to charitable or educational purposes that has established its tax-exempt status under Section 501(c)(3) of the IRC.

ARTICLE 6: MEMBERSHIP

Section 1. Qualifications. The Organization shall have two classes of members as follows:

(a) Individual members. An individual member shall consist of one person. Individual members shall be entitled to one vote.

(b) Family members. A family membership shall consist of two or more people living in the same residence where there are one or two adult non-dependent family members and any number, including none, of dependent family members. Family members shall be entitled to two votes.

A member may be any person who subscribes to the purposes and basic policies of the Organization and whose admission will contribute to the Organization’s ability to carry out its charitable and educational 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 members of the Organization, as considered necessary and appropriate by the Organization's Board of Directors.

Section 1.1 Notwithstanding any other limitation on membership, no person may be denied membership or participation in BAADS 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 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 activities if they do not agree with or fail to abide by the Organization's Code of Conduct. This Code of Conduct is presented in Appendix A to these bylaws (the "**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 the Organization.

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 Organization's assets, any merger with another charitable or educational organization, any decision to dissolve the Organization, the amendment of the Organization's Articles of Incorporation, the ratification at a general membership meeting of any amendment to the Bylaws adopted by the Board of Directors, and such other matters as set forth in these Bylaws and the Law. In addition, members of the Organization shall have all rights afforded members under the Law and these Bylaws. The Organization may benefit, serve, or assist persons who are not members of the Organization, but may restrict the provision of certain benefits, services, and assistance to members of the Organization. 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 the Organization. No member shall be entitled to any dividend or any part of the income of the Organization.

Section 3. Other Persons Associated with the Organization. The Organization 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 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 of the Organization, but no such person shall be a member under the Law.

Section 4. Dues and Services.

Section 4.1. Dues. Each member must pay to the Organization, within the time and on the conditions set by the Board of Directors, dues and fees in amounts to be fixed from time to time by the Board of Directors. Such dues and fees shall be equal for all members of the Organization. The Board of Directors may determine the conditions under which any payment of dues shall be refundable.

Section 4.2. Service in Lieu of Dues. Upon application of a member or prospective member, the Board of Directors or a person or committee authorized by the Board of Directors may allow a member to provide services (as determined from time-to-time by the Board of Directors) in lieu of the payment of dues. Such service shall be in addition to that required by Section 4.3.

Section 4.3. Services to the Organization. Each member must provide to the Organization, within the time and on the conditions set by the Board of Directors, service to be fixed from time to time by the Board of Directors.

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 Organization 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 Organization, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Organization.

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 Organization's Code of Conduct, or has engaged in conduct materially and seriously prejudicial to the purposes and interests of the Organization. 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 Organization's records. Any

notice sent by email shall be sent to the member's last known email address as shown on the Organization'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 such authorized 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 Organization is not, as such, personally liable for the debts, liabilities, or obligations of the Organization.

Section 10. Place of Meeting. Meetings of the members of the Organization 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 Organization's principal office.

Section 11. Regular Annual Meeting. A regular meeting of members of the Organization shall be held at least once a year. The Board of Directors shall fix the date and time and notify its 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 Organization 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 programs, activities and operations.

Section 11.2. Notice of any annual or periodic membership meetings of BAADS shall be posted on the Organization's website or distributed to its 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 of the Organization for any lawful purpose may be called at any time by the Board of Directors, or by the members of the Organization upon the request of ten percent (10%) or more of the members of the Organization. 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 Organization or the Secretary of the Organization. The officer receiving the request shall cause notice to be given promptly to the members of the Organization 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 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 of the Organization 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 of the Organization 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 Organization or at the address given by the member to the Organization 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 Organization 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 Organization or any person responsible for the giving of the notice. If no address appears on the Organization'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 Organization's principal office, noted on the Organization's website, or published at least once in a newspaper of general circulation in the county in which the Organization's principal office is located. An affidavit of the mailing or other means of giving any notice of any meeting of the members of the Organization may be executed by the Secretary of the Organization or any other party of the Organization giving the notice, and if so executed, shall be filed and maintained in the Organization'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 that the Board of Directors, at the time notice is given, intends to present for action by the members of the Organization, 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 the Organization 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 Incorporation or these Bylaws;
- (d) Electing to wind up and dissolve the Organization;
- (e) Approving a plan of merger or consolidation; or
- (f) Disposing of all or substantially all of the Organization'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 of the Organization; provided 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 of the Organization 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 of the Organization to leave less than a quorum, if any action taken, other than adjournment, is approved by at least a majority of the members of the Organization required to constitute a quorum, or such greater number as required by the Articles of Incorporation, 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 of the Organization 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 Organization may transact any business that might have been transacted at the original meeting.

Section 16. Voting. Members of the Organization entitled to vote at any meeting of the members of the Organization shall be those members of the Organization 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 of the Organization at the meeting before the voting begins. Each member of the Organization entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the members of the Organization. Family members 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 of the Organization, unless the vote of a greater number or voting by classes is

required by the Articles of Incorporation, 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 of the Organization 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 of the Organization.

Section 17. Waiver of Notice or Consent by Absent Members. The transactions of any meeting of members of the Organization, 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 of the Organization 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 the members of the Organization, 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 Organization's records or made a part of the minutes of the meeting. A member of the Organization's attendance at a meeting shall also constitute a waiver of notice of and presence at that meeting, unless such 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 of the Organization 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 of the Organization.

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 the members of the Organization, 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 Organization shall distribute one written ballot, or make available electronic ballots, to each member of the Organization 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 Organization's 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 of the Organization an opportunity to specify approval or disapproval of each proposal; and
- (c) provide a reasonable time within which to return the ballot to the Organization or vote electronically.

Section 19.3. In any election of members of the Board of Directors, a written or electronically submitted ballot that a member of the Organization marks “withhold,” or otherwise marks in a manner indicating that authority to vote is withheld, shall not be voted either for against the election of members of the Board of Directors. 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 19.4. 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 Organization and maintained in the Organization’s records.

Section 20. Record Date. For purposes of determining the members of the Organization 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 of the Organization 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 date 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 date on which the first written ballot is mailed or solicited.

(d) For any other action shall not be more than sixty (60) days before such 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 such action, or the 60th day before the date of such action, whichever is later.

Section 21. Proxies. Each member of the Organization 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 such member and filed with the Secretary of the Organization. Any proxy covering matters for which a vote of the members of Organization 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 of the Organization. In any election of members of the Board of Directors, any form of proxy that a member of the Organization 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 of the Organization executing it, before the vote is cast under that proxy, by a writing delivered to the Organization stating that the proxy is revoked, by a subsequent proxy executed by such member and presented to the meeting, or as to any meeting, by such 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 of the Organization may nominate to the Board of Directors, or nominating committee thereof, potential candidates for election to 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 of the Organization 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 Organization, and such other goals as the Board of Directors may establish including BAADS's general policy of inclusion of persons with physical 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 of the Organization 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 of the Organization 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 Organization shall forward to each member of the Organization, 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 22.4, how they may vote, the period of time during which members of the Organization can vote, and other relevant information as required by these Bylaws pertaining to the election.

Section 22.5 After notice is sent to members of the Organization 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 of the Organization may vote by written or electronic ballot for members of the Board of Directors. Each member of the Organization may vote once for each available member of the Board of Director positions in accordance with the voting rights of such 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 may without further action declare that those nominated and qualified to be elected have been elected to the Board of Directors.

Section 22.7 The Secretary of the Organization shall cause to have counted all written and / or electronic ballots cast by members of the Organization 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 before the end of the calendar year in which the election takes place. This announcement may be made at a membership meeting by Organization newsletter or otherwise in an appropriate manner in the discretion of the Board of Directors.

ARTICLE 7: BOARD OF DIRECTORS

Section 1. Powers. The Organization shall have powers to the full extent allowed by Law. All powers and activities of the Organization shall be exercised and managed by the Board of Directors directly or, if delegated, under the ultimate direction of the Board of Directors.

Section 1.1. Qualifications. Members of the Board of Directors are members of the Organization in good standing elected by the membership of the Organization to serve on the Board of Directors, as provided in these Bylaws.

Section 2. Number of Directors. An eleven (11) member Board of Directors shall govern the Organization. The number of members of the Board 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 or until the earlier of their death, resignation or removal. 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 Directors 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 members of the Board of Directors are entitled to represent themselves as a Director Emeritus; however, directors removed by the membership of the Organization shall be ineligible to represent themselves in this capacity. The title of Director Emeritus is an honorific and such Director Emeritus shall not be required to attend meetings of the Board of Directors.

Section 3.1 South Beach Yacht Club Representative. In the event that the South Beach Yacht Club selects one of its members to serve on the Board of Director the Board of Directors may appoint such person to be a member of the Board of Directors.

Section 4. Vacancies. A vacancy shall be deemed to exist on the Board of Directors in the event that the actual number of directors is less than the authorized number of directors for any reason. Vacancies may be filled by the remaining directors (unless the vacancy was created by removal of a director by the members of the Organization) or by the members of the Organization, for the unexpired portion of the term.

Section 5. Meetings. The Board of Directors shall meet within a reasonable period of time after each regular annual meeting of members of the Organization 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 Organization. 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 Organization or the Secretary of the Organization.

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 or electronic mail at least four (4) days before the date of the meeting, 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 Organization, deposited in the mail or given to the 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 Organization'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. 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 Incorporation, 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 Incorporation, 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 unanimously 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 8 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 Organization 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 Organization 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 Organization 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 charitable or educational purpose to which the Organization, or assets held by it, are dedicated.

Section 2. Loans. The Organization shall not make any loan of money or property to, or guarantee the obligation of, any member of the Board of Directors or officer of the Organization,

unless approved by the California Attorney General or otherwise permitted by the Law; provided that the Organization may advance money to a member of the Board of Directors or officer of the Organization 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 Organization'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 related to conflicts of interest applicable to nonprofit and charitable corporations and is not intended as an exclusive statement of responsibilities.

Section 3.1. Definitions. Unless otherwise defined, the terms used in this Section 3 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 such person has, directly or indirectly, through business, investment, or family:

(a) An ownership or investment interest in any entity with which the Organization has a transaction or arrangement;

(b) A compensation arrangement with the Organization or with any entity or individual with which the Organization 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 Organization 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 Board of Directors determines 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 members of the Board of Director shall determine 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 Organization 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 Organization'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 that 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 Organization is charitable and educational, 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” means any employee of the Organization, 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” means any independent contractor engaged by the Organization, 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 Organization 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 Organization.

(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 Organization. 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. Officer Compensation. The Board of Directors shall review the fairness of compensation, including any benefits, paid to the Commodore, Treasurer and other officers of the Organization 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 Organization operates in a manner consistent with charitable and educational 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 Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable or educational 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 Organization 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 Organization 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 Organization.

ARTICLE 9: COMMITTEES

Section 1. Board Committees. The Board of Directors may, by resolution adopted by a majority of the directors then in office, create any number of Board Committees, each consisting of two or more directors, and could include members of the Organization, to serve at the pleasure of the Board. Appointments to any Board Committee shall be by a majority vote of the directors then in office. Board Committees may be given all the authority of the Board of Directors, except for the powers to:

- (a) set the number of directors within a range specified in these Bylaws;
- (b) fill vacancies on the Board of Directors or on any Board Committee;
- (c) fix compensation of directors for serving on the Board of Directors or any Board Committee;
- (d) amend or repeal these Bylaws or adopt new Bylaws;
- (e) approve amendments to or repeal the Articles of Incorporation of the Organization;
- (f) amend or repeal any resolution of the Board of Directors that by its express terms is not so amendable or repealable;
- (g) create any other Board Committees or appoint the members of any Board Committees;
- (h) approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of the Organization;
- (i) approve any self-dealing transactions, except as provided by the Law;
- (j) spend corporate funds to support a nominee for director after there are more nominees than can be elected; or
- (k) enter into contracts, financially obligate the Organization, misrepresent the scope or take other actions outside of the purview of the Board Committee.

Section 2. Advisory Committees. The Board of Directors may establish one or more Advisory Committees to the Board of Directors. The members of any Advisory Committee may consist of directors or non-directors and may be appointed as the Board of Directors determines. Advisory Committees may not exercise the authority of the Board of Directors to make decisions on behalf of the Organization, but shall be restricted to making recommendations to the Board of Directors or Board Committees and implementing Board of Directors or Board Committee decisions and policies under the supervision and control of the Board of Directors or Board Committee.

Section 3. Audit Committee. For any tax year in which the Organization has gross revenues of \$2 million or more, the Organization shall have an Audit Committee whose members shall be appointed by the Board of Directors, and who may include both directors and non-directors, subject to the following limitations: (a) members of the finance committee, if any, shall constitute less than one-half of the membership of the Audit Committee; (b) the chair of the Audit Committee may not be a member of the Finance Committee, if any; (c) the Audit Committee may not include any member of the staff, including the Commodore or chief executive officer and Treasurer or chief financial officer; (d) the Audit Committee may not include any person who has a material financial interest in any entity doing business with the Organization; and (e) Audit Committee members who are not directors may not receive compensation greater than the compensation paid to directors for their Board of Directors service.

The Audit Committee shall: (a) recommend to the full Board of Directors for approval the hiring, retention and, when appropriate, the termination of an independent certified public accountant to serve as auditor, (b) subject to approval of the full Board of Directors, negotiate the compensation of the auditor on behalf of the Board of Directors, (c) confer with the auditor to satisfy the Audit Committee members that the financial affairs of the Organization are in order, (d) review and determine whether to accept the audit, and (e) approve performance of any non-audit services provided to the Organization by the auditor's firm.

Section 4. Meetings of Board Committees and Advisory Committees.

Section 4.1. Board Committees. Meetings and actions of Board Committees shall be governed by and held and taken in accordance with the provisions of Article VII of these Bylaws concerning meetings and actions of the Board of Directors, with such changes in the content of those Bylaws as are necessary to substitute the Board Committee and its members for the Board of Directors and its members. Minutes shall be kept of each meeting of any Board Committee and shall be filed with the corporate records.

Section 4.2. Advisory Committees. Subject to the authority of the Board of Directors, Advisory Committees may determine their own meeting rules and whether minutes shall be kept.

The Board of Directors may adopt rules for the governance of any Board or Advisory Committee that are not inconsistent with these Bylaws.

ARTICLE 10: OFFICERS

Section 1. Officers. The officers of the Organization shall be a Commodore (President – Chair of the Board), a Vice Commodore (Vice President) a Secretary, and a Treasurer. The Organization may also have, at the discretion of the Board of Directors, such other officers as may be appointed by the Board of Directors. Any number of offices may be held by the same person, except that the Secretary, the Treasurer, or the Chief Financial Officer, if any, may not serve concurrently as the Commodore or Chair of the Board of Directors, if any. In addition to the duties specified in this Article 10, officers of the Organization shall perform all other duties customarily incident to their office and such other duties as may be required by the Law, the

Articles of Incorporation or these Bylaws, subject to the control of the Board of Directors, and shall perform such additional duties as the Board of Directors shall from time to time assign.

Section 2. Election. The officers of the Organization shall be elected annually at the first meeting of the year from the directors of the Organization by the Board of Directors, and each shall serve at the pleasure of the Board of Directors, subject to the rights, if any, of an officer under any contract of employment.

Section 3. Removal. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors or by an officer on whom such power of removal may be conferred by the Board of Directors.

Section 4. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the Commodore or the Secretary, without prejudice to the rights, if any, of the Organization under any contract to which such officer is a party. Any resignation shall take effect on receipt of such notice by the Organization or at any later time specified by such notice and, unless otherwise specified in such notice, and the acceptance of the resignation shall not be necessary to make such notice effective. Any resignation is without prejudice to the rights, if any, of the Organization under any contract to which the officer is a party.

Section 5. Vacancies. A vacancy in any office for any reason shall be filled in the same manner as these Bylaws provide for election to such office.

Section 6. Commodore. The Commodore shall be the chief executive officer of the Organization and shall, subject to control of the Board of Directors, generally supervise, direct and control the business and other officers of the Organization. The Commodore shall preside at all meetings of the members and the Board of Directors. The Commodore shall be a member of all Board Committees, shall have the general powers and duties of management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. The Commodore is authorized to execute in the name of the Organization all contracts and other documents authorized either generally or specifically.

Section 7. 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, carry out the duties of the Commodore and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 8. Secretary. The Secretary shall supervise the keeping of a full and complete record of the proceedings of the members and the Board of Directors and its committees, if any, shall supervise the giving of such notices as may be proper or necessary, shall supervise the keeping of the minute books and membership records of the Organization, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 9. Treasurer. The Treasurer shall be the chief financial officer of the Organization and shall supervise the charge and custody of all funds of the Organization, the deposit of such funds

in the manner prescribed by the Board of Directors, and the keeping and maintaining of adequate and correct accounts of the Organization's properties and business transactions, shall render reports and accountings as required, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

ARTICLE 11: EXECUTION OF ORGANIZATION INSTRUMENTS

Section 1. Execution of Organization 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 instrument or document to which the Organization is a party, or to sign the Organization's name without limitation, except when otherwise provided by the Law, and such execution or signature shall be binding upon the Organization. Unless otherwise specifically determined by the Board of Directors or otherwise required by the Law, formal contracts of the Organization, promissory notes, deeds of trust, mortgages, and other evidences of indebtedness of the Organization, and other Organization instruments or documents, memberships in other organizations, and certificates of shares of stock owned by the Organization, shall be executed, signed, or endorsed by the Commodore, the Vice-Commodore or the Secretary or Treasurer. All checks and drafts drawn on banks or other depositories on funds to the credit of the Organization, or in special accounts of the Organization, 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 Organization 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 Organization.

Section 3. Loans and Contracts. No loans or advances shall be contracted on behalf of the Organization 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 Organization may enter into any indebtedness contract or execute and deliver any contractual instrument in the name of or on behalf of the Organization.

ARTICLE 12: RECORDS AND REPORTS

Section 1. Maintenance and Inspection of Articles and Bylaws. The Organization shall keep at its principal office or electronically on its website the original or a copy of its Articles of Incorporation and these Bylaws, as amended from time to time, to date, which shall be open to inspection by the members of the Organization and the 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 Organization 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 Organization'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 the Law.

Section 3. Maintenance and Inspection of Other Organization Records. The Organization shall keep adequate and correct books and records of accounts; written minutes of the proceedings of its members, Board of Directors, Board Committees and Advisory Committees; and a record of each member of the Organization'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 Organization or electronically on the Organization'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 Organization shall turn over to his or her successor or the Commodore, in good order, such Organization monies, books, records, minutes, lists, documents, contracts or other property of the 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 Organization and any subsidiary of the Organization. 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 Organization, any member of the Organization may inspect, copy, and make extracts of the accounting books and records and the minutes of proceedings of the members of the Organization, the Board of Directors, and the Board Committees at any reasonable time for a purpose reasonably related to the member's interest as a member of the Organization. Subject to the Law, unless the Organization provides a reasonable alternative as provided below, any member of the Organization may do either or both of the following for a purpose reasonably related to the member's interest as a member of the Organization:

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

(b) obtain from the Secretary, on written demand and tender of a reasonable charge, an alphabetized list of names, addresses and voting rights of members of the Organization who are entitled to vote for the election of members of the Board of Directors as of the most recent record date for which such list has been compiled, or as of the date, after the date of demand, specified by such member. The demand shall state the purpose for which the list is requested. The Secretary shall make this list available to the member of the Organization 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 Organization may, within ten (10) business days after receiving a demand under this Section 3, 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 Organization reasonably believes that the information will be used for a purpose other than one reasonably related to a person's interest as a member of the Organization, or if it provides a reasonable alternative under this Section 3, it may deny the member of the Organization access to the requested membership list.

Section 3.2. Any inspection and copying under this **Section 3** may be made in person or by the requesting 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 Organization.

Section 4. Preparation of Annual Financial Statements. The Organization may prepare annual financial statements using generally accepted accounting principles or such other standards as would be normal, appropriate and customary for an organization of the size and type of BAADS. 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 Organization to determine the accuracy, integrity and completeness of the Organization's books and records, in conformity with generally accepted accounting standards or such other standards as would be normal, appropriate and customary for an organization of the size and type of BAADS, under supervision of the Audit Committee, if one is established by the Board of Directors. If prepared, the Organization shall make such financial statements available to the Attorney General of the State of California and members of the public for inspection no later than nine (9) months after the close of the fiscal year to which such statements relate.

Section 5. Reports. The Board of Directors may cause an annual report to the members of the Organization to be prepared and, if prepared, to be sent to all members of the Board of Directors, within 120 days after the end of the Organization's fiscal year (and to members of the Organization upon appropriate request), containing some or all of the following information:

- (a) the assets and liabilities, including the trust funds, of the Organization 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 Organization both unrestricted and restricted for particular purposes, for the fiscal year;
- (d) the expenses or disbursements of the Organization 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 that 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 Organization's financial auditor or other financial professional, who reviewed the Organization'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 Organization that the annual report was prepared without audit or review from the books and records of the Organization.

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

ARTICLE 13: FISCAL YEAR

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

ARTICLE 14: AMENDMENTS AND REVISIONS

Section 1. Subject to the rights of members of the Organization under this Article 14, the Board of Directors may adopt, amend, or repeal these 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 of the Organization's 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 such amendments 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 of the Organization have been admitted, the Board of Directors may not, without the approval of the members of the Organization, adopt, amend, or repeal a provision of these Bylaws 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 the Law, such provision may not be altered, amended, or repealed except by such greater vote. Without the approval of the members of the Organization, 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 meetings of the members of the Organization;
- (c) repeal, restrict, create, expand, or otherwise change the members of the Organization's 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 of the Organization; 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 of the Organization.

ARTICLE 15: CERTAIN TRANSACTIONS

Section 1. Self-Dealing Transactions. Except as provided in Section 2 of this Article 15, the Board of Directors shall not approve, or permit the Organization to engage in, any self-dealing transaction. A self-dealing transaction is a transaction to which the Organization is a party and in which one or more of the member of the Board of Directors has a material financial interest, unless such transaction comes within Section 5233(b) of the California Nonprofit Public Benefit Corporation Law.

Section 2. Approval. The Organization may engage in a self-dealing transaction if the transaction is approved by a court or by the Attorney General of the State of California. The Organization may also engage in a self-dealing transaction if the Board of Directors determines, before the transaction, that (a) the Organization is entering into the transaction for its own benefit; (b) the transaction is fair and reasonable to the Organization at the time; and (c) after reasonable investigation, the Board of Directors determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board of Directors in good faith, with knowledge of the material facts concerning the transaction and the interested party's interest in the transaction, and by a vote of a majority of the members of the Board of Directors then in office, without counting the vote of the interested director or directors.

Where it is not reasonably practicable to obtain approval of the Board of Directors before entering into a self-dealing transaction, a Board Committee may approve such transaction in a manner consistent with the foregoing requirements provided that, at its next meeting, the full Board of Directors determines in good faith that the Board Committee's approval of the transaction was consistent with such requirements and that it was not reasonably practical to obtain advance approval by the full Board of Directors, and ratifies the transaction by a majority of the members of the Board of Directors then in office without the vote of any interested director.

ARTICLE 16: INDEMNIFICATION AND INSURANCE

Section 1. Right of Indemnity. To the fullest extent allowed by Section 5238 of the California Nonprofit Public Benefit Corporation Law, the Organization may indemnify its agents, in connection with any proceeding, and in accordance with Section 5238. For purposes of this Article 16, "agent" shall have the same meaning as in Section 5238(a), including directors, officers, employees, other agents, and persons formerly occupying such positions; "proceeding" shall have the same meaning as in Section 5238(a), including any threatened action or investigation under

Section 5233 or brought by the Attorney General of the State of California; and “expenses” shall have the same meaning as in Section 5238(a), including reasonable attorneys’ fees.

Section 2. Approval of Indemnity. On written request to the Board of Directors in each specific case by any agent seeking indemnification, to the extent that the agent has been successful on the merits, the Board of Directors shall promptly authorize indemnification in accordance with Section 5238(d). Otherwise, the Board of Directors shall promptly determine, by a majority vote of a quorum consisting of directors who are not parties to the proceeding, whether, in the specific case, the agent has met the applicable standard of conduct stated in Section 5238(b) or Section 5238(c), and, if so, may authorize indemnification to the extent permitted thereby. If the Board of Directors cannot do so because there is no quorum of directors who are not party to the proceeding for which indemnification is sought, the Board of Directors shall promptly call a meeting of the members of the Organization. At such meeting, the members of the Organization shall determine whether, in such case, the applicable standard of conduct stated in such Section 5238(b) or Section 5238(c) has been met, and, if so, the members of the Organization may authorize indemnification to the extent permitted thereby.

Section 3. Advancing Expenses. The Board of Directors may authorize the advance of expenses incurred by or on behalf of an agent of the Organization in defending any proceeding prior to final disposition, if the Board of Directors finds that:

- (a) the requested advances are reasonable in amount under the circumstances; and
- (b) before any advance is made, the agent will submit a written undertaking satisfactory to the Board of Directors to repay the advance unless it is ultimately determined that the agent is entitled to indemnification for the expenses under this Article 16.

The Board of Directors shall determine whether undertaking must be secured, and whether interest shall accrue on the obligation created thereby.

Section 4. Insurance. The Board of Directors may adopt a resolution authorizing the purchase of insurance on behalf of any agent against any liability asserted against or incurred by the agent in such capacity or arising out of the agent’s status as such, and such insurance may provide for coverage against liabilities beyond the Organization’s power to indemnify the agent under the Law.

ARTICLE 17: CORPORATE SEAL

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

ARTICLE 18: CONSTRUCTION AND DEFINITIONS

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

Appendix A

BAADS Code of Conduct

Respect. Communication. Appreciation.

To enhance the Organization's mission of making sailing accessible, safe and fun for all who may participate in BAADS activities, all BAADS 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 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 that 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.


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.

CERTIFICATE OF SECRETARY

I, Charles Wienbar, certify that I am presently the duly elected and acting Secretary of BAADS, Inc., a California nonprofit public benefit corporation (the "**Organization**"), and that attached Bylaws are a true and complete copy of the Bylaws of the Organization in effect as of the date of this certificate

DATED: 03/13/2020



Charles Wienbar, Secretary