

**BY LAWS OF
POINT DUME COMMUNITY ASSOCIATION
A California Nonprofit Public Benefit Corporation**

**ARTICLE I.
GENERAL**

Section 1.01 Name of Association

The name of this association is Point Dume Community Association (hereinafter, the "Association").

Section 1.02 Purpose

The purpose of the Association is (1) to work for the improvement and benefit of the Point Dume community, (2) to act as an unofficial liaison between the community, the City of Malibu and other public and private agencies, (3) to encourage all residents and property owners of Point Dume to be involved in efforts to improve and benefit the community, and (4) to uphold the character of Point Dume as a residential area.

**ARTICLE II.
MEMBERS**

Section 2.01 Members

This Association shall have one class of members. Residents and land owners in the Point Dume community are eligible to be members. 1 vote per parcel(Resident or Landowner)

Section 2.02 Rights of Members

All members in good standing shall have the right to vote, as set forth in these bylaws, on the election of directors, on the disposition of all or substantially all of the assets of the Association, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the Association. In addition, members shall have all rights afforded members under the applicable California law.

Section 2.03 Dues, Fees and Amendments

Each member must pay, within the time and on the conditions set by the board, the dues, fees and assessments in amounts to be fixed from time to time by the board.

Section 2.04 Members in Good Standing

Members who have paid the required dues, fees and assessments in accordance with these bylaws and the Association's rules and regulations shall be in good standing.

Section 2.05 Termination of Membership

A membership shall terminate on the occurrence of any of the following events:

- a) Resignation of the member;

- b) The member's failure to pay dues, fees or assessments as set by the board;
- c) Any event that renders the member ineligible for membership, or failure to satisfy membership qualifications.

Section 2.06 Suspension; Termination

A member may be suspended based on the good faith determination by the board that the member has failed in a material degree to observe the Association's rules of conduct. A person whose membership is suspended shall not be a member during the period of suspension.

Section 2.07 Meetings

Meetings of the Members are held on the second Wednesday of each month at Point Dume Marine Science Elementary Library at 7:00 p.m., or at such other location as determined by the Board of Directors. An annual meeting to elect directors shall be held on the day and time the board fixes so notifies the members as provided in these bylaws. Special meetings may be called by the Chair, a majority of directors or 5% or more of the members of the Association for any lawful purpose at any time.

Section 2.08 Place of Meetings

All meetings of the members shall be held at Point Dume Marine Science Elementary Library in Malibu, California, or at any place within California designated by the board or by the written consent of all members entitled to vote at the meeting, given before or after the meeting.

Section 2.09 Notice of Meetings

a) Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given not less than 10 nor more than 90 days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote thereat; provided, however, that 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. The notice shall state the place, date and time of the meeting, the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which members may participate in that meeting, and (1) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of the regular meeting, those matters which the board, at the time the notice is given, intends to present for action by the members, but, except as provided in subdivision (b) of Section 7512 of the Corporations Code, any proper matter may be presented at the meeting for the action. The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given to members.

b) Notice of a members' meeting or any report shall be given personally, by electronic transmission by a corporation, or by mail or other means of written communication, addressed to a member at the address of the member appearing on the books of the corporation or given by the member to the corporation for purpose of notice; or if no such address appears or is given, at the place where the principal office of the corporation is located or by publication at least once in a newspaper of general circulation in the county in which the principal office is located. An affidavit of giving of any notice or report in accordance with the provisions of this part, executed by the secretary, assistant secretary or any transfer agent, shall be prima facie evidence of the giving of the notice or report.

Section 2.10 Quorum

The holders of one-third of the shares entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by law, by the articles of incorporation or by these bylaws. If, however, one-third shall be not be present or represented at any meeting of the members, the members entitled to vote thereat, present in person or by proxy, shall have power to adjourn the meeting from time to time, until the requisite amount of voting memberships shall be present. At such adjourned meeting at which the requisite amount of voting memberships shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 2.11 Eligibility to Vote

Members in good standing on the record date shall be entitled to vote at any meeting of members.

Section 2.12 Manner of Voting

Voting may be by voice or by ballot, except that any election of directors must be by ballot if demanded before the voting begins by any member at the meeting.

Section 2.13 Number of Votes

Only persons in whose names shares entitled to vote stand on the records of the Association on the record date, unless some other day be fixed by the Board of Directors for the determination of members of record, then on such other day, shall be entitled to vote at the meeting.

Every member entitled to vote shall be entitled to one vote for each membership, and shall have the right to accumulate his or her votes as provided in the Associations Code of California.

Section 2.14 Approval by Majority

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 deemed the act of the members unless the vote of a greater number is required by law or the articles of incorporation.

Section 2.15 Consent to Members' Meeting

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

Any action required or permitted to be taken by the members may be taken without a meeting if all members consent in writing to the action. The written consent or consents shall be filed with the minutes of the meeting. The action by written consent shall have the same force and effect as a unanimous vote of the members.

Section 2.16 Record Date

For purposes of establishing the members entitled to receive notice of any meeting, entitled to vote at any meeting or entitled to exercise any rights in any lawful action, the board of directors may, in advance, fix a record date. The record date so fixed for

a) sending notice of a meeting shall be no more than 90 days, nor less than 10 days before the date of the meeting;

b) voting at a meeting shall be no more than 60 days before the date of the meeting;

c) taking any other action shall be no more than 60 days before that action.

Section 2.17. 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 person and filed with the secretary of the Association. A proxy shall be deemed signed if the member's name is placed on the proxy by the member or the member's attorney-in-fact, whether by manual signature, typewriting, facsimile transmission or otherwise.

If the Association has 100 or more members, any form of proxy distributed to 10 or more members shall give the member an opportunity to specify a choice between approval and disapproval of each matter or group of related matters and, subject to reasonable specified conditions, shall provide that, when the person solicited specifies a choice in any such matter, the vote shall be cast according to that specification. In an election 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 directors is withheld, shall not be voted wither for or against the election of a director.

Section 2.18 Adjourned Meetings

Any members' 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. When a 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 2.19 Transfer on the Books

Upon surrender to the Secretary or Transfer Agent of the Association of a certificate for membership duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Association to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its books.

Section 2.20 Lost or Destroyed Certificates

Any person claiming a certificate of membership to be lost or destroyed shall make an affidavit or affirmation of that fact and advertise the same in such manner as the Board of Directors may require, and shall if the Directors so require give the Association a bond of indemnity, in form and with one or more

sureties satisfactory to the Board, whereupon a new certificate may be issued of the same tenor and for the same number of memberships as the one alleged to be lost or destroyed.

ARTICLE III. DIRECTORS; MANAGEMENT

Section 3.01 Powers

Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Association Law, and any other applicable law, and subject to any limitations in the articles of incorporation or these bylaws, the Association's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the board.

Section 3.02 Number of Directors

The authorized number of directors shall be seven and a maximum of 21. Persons who are members of the Association in good standing shall be qualified to be a director.

No more than 49 percent of the persons serving on the board may be "interested persons." An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a director as director; and (b) 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 such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the corporation.

Section 3.03 Nomination of Directors

Nomination of directors shall occur at the annual meeting. All members in good standing shall be eligible to be a director.

When a meeting is held for the election of directors, any member present at the meeting in person or by proxy may place names in nomination.

Section 3.04 Election and Tenure of Office

The directors shall be elected at the annual meeting of members, and shall serve for one year and until their successors are elected and have qualified. Their term of office shall begin immediately after election.

Section 3.05 Vacancies

A vacancy or vacancies on the board of directors shall occur in the event of (a) the death, removal, or resignation of any director, (b) the declaration by board resolution of a vacancy in the office of a director who has been declared of unsound mind by a court order, convicted of a felony, or, if the Association holds assets in charitable trust, found by a final order or judgment of any court to have breached a duty arising under the California Nonprofit Public Benefit Law; (c) an increase in the authorized number of

directors; or (d) a failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors required to be elected at that meeting.

Section 3.06 Resignation of Directors

Except as provided below, any director may resign by giving written notice to the chairman of the board, if any, or to the president or the secretary of the board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the board may elect a successor to take office as of the date when the resignation becomes effective.

Section 3.07 Removal of Directors

Any director who does not attend two successive board meetings will automatically be removed from the board without board resolution unless (a) the director requests a leave of absence for a limited period of time, and the leave is approved by the directors at a regular or special meeting (if such leave is granted, the number of board members will be reduced by one in determining whether a quorum is or is not present), (b) the director suffers from an illness or disability that prevents him or her from attending meetings and the board by resolution waives the automatic removal procedure of this subsection; or (c) the board by resolution of the majority of board members must agree before a director who has missed three meetings may be reinstated.

Section 3.08 Vacancies Filled by Board

Except for a vacancy created by the removal of a director by the members, vacancies on the board may be filled by approval of the board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held according to notice or waivers of notice, or (3) a sole remaining director.

Section 3.09 Vacancies Filled by Members

The members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors.

Section 3.10 No Vacancy on Reduction of Number of Directors

Any reduction of the authorized number of directors shall not result in any director being removed before his or her term of office expires.

Section 3.11 Place of Board Meetings

Meetings of the board shall be held at any place within or outside of California that has been designated by resolution of the board or in the notice of the meeting or, if not so designated, at the principal office of the Association.

Section 3.12 Annual and Other Meetings

Within 30 days of each annual meeting of members, the board shall hold a general meeting for purposes of organization, election of officers, and transaction of other business. Notice of this meeting is not required.

Other general meetings of the board may be held without notice at such time and place as the board may fix from time to time.

Section 3.13 Authority to Call Special Meetings

Special meetings of the board for any purpose may be called at any time by the chairman of the board, if any, the president or any vice president, the secretary, or any two directors.

Section 3.14 Notice of Special Meetings

Notice of the time and place of special meetings shall be given to each director by (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (d) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the director's address or telephone number as shown on the Association's records.

Notices sent by first-class mail or bulk mail shall be deposited in the United States mails at least – (e.g. four)—days before the time set for the meeting. Notices given by personal delivery, telephone, or electronic mail shall be delivered, telephoned, or sent, respectively, at least – (e.g., 48 hours)—before the time set for the meeting.

The notice shall state the time of the meeting and the place, if the place is other than the Association's principal office. The notice need not specify the purpose of the meeting.

Section 3.15 Quorum

A majority of the authorized number of directors shall constitute a quorum for the transaction of any business except adjournment. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be an act of the board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect material financial interest, (b) approval of certain transactions between corporations having common directorships, (c) creation of and appointments to committees of the board, and (d) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors from that meeting, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 3.16 Waiver of Notice

Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting needs to be given to any director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

Section 3.17 Adjournment

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

Section 3.18 Notice of Adjourned Meeting

Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than 24 hours. If the original meeting is adjourned for more than 24 hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

Section 3.19 Action Without a Meeting

Any action that the board is required or permitted to take may be taken without a meeting if all board members consent in writing to the action; provided, however, that the consent of any director who has a material financial interest in a transaction to which the corporation is a party and who is an “interested director” as defined in Corporations Code section 5233 shall not be required for approval of that transaction. Such action by written consent shall have the same force and effect as any other validly approved action of the board. All such consents shall be filed with the minutes of the proceedings of the board.

Section 3.20 Compensation and Reimbursement

Directors may receive such compensation, if any, for their services as directors or officers, and such reimbursement of expenses, as the board may establish by resolution to be just and reasonable as to the Association at the time that the resolution is adopted.

Section 3.21 Offices Held

The officers of this Association shall be a president, a secretary, and a chief financial officer. The Association, at the board’s discretion, may also have a chairman of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed under Section 3.24 of these bylaws.

Section 3.22 Duplication of Office Holders

Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as either the president or the chairman of the board.

Section 3.23 Election of Officers

The officers of this Association, except any appointed under Section 3.24 of these bylaws, shall be chosen annually by the board and shall serve at the pleasure of the board, subject to the rights of any officer under any employment contract.

Section 3.24 Appointment of Other Officers

The board may appoint and authorize the chairman of the board, the president, or another officer to appoint any other officers that the Association may require. Each appointed officer shall have the title and authority, hold office for the period, and perform the duties specified in the bylaws or established by the board.

Section 3.25 Removal of Officers

Without prejudice to the rights of any officer under an employment contract, the board may remove any officer with or without cause. An officer who was not chosen by the board may be removed by any other officer on whom the board confers the power of removal.

Section 3.26 Resignation of Officers

Any officer may resign at any time by giving written notice to the board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Association under any contract to which the officer is a party.

Section 3.27 Vacancies in Office

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 normal appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

Section 3.28 Chairman of the Board

If a chairman of the board of directors is elected, he or she shall preside at board meetings and shall exercise and perform such other powers and duties as the board may assign from time to time. If there is no president, the chairman of the board shall also be the chief executive officer and shall have the powers and duties of the president of the Association set forth in these bylaws.

Section 3.29 Vice Presidents

If the Chair is absent or disabled, the vice presidents, if any, in order of their rank as fixed by the board, or, if not ranked, a vice president designated by the board, shall perform all duties of the Chair. When so acting, a vice president shall have all powers of and be subject to all restrictions on the Chair. The vice presidents shall have such other powers and perform such other duties as the board or the bylaws may require.

Section 3.30 Secretary

The secretary shall keep or cause to be kept, at the Association's principal office or such other place as the board may direct, a book of minutes of all meetings, proceedings, and actions of the board, of committees of the board, and of members' meetings. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, general, or special, and, if special, how authorized; the notice given; the names of persons present at board and committee meetings; and the number of members present or represented at members' meetings.

The secretary shall keep or cause to be kept, at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date.

The secretary shall keep or cause to be kept, at the Association's principal office or at a place determined by resolution of the board, a record of the Association's members, showing each member's name, address, and class of membership.

The secretary shall give, or cause to be given, notice of all meetings of members, of the board, and of committees of the board that these bylaws require to be given. The secretary shall keep the corporate seal, if any, in safe custody and shall have such powers and perform such other duties as the board or the bylaws may require.

Section 3.31 Chief Financial Officer

The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Association's properties and transactions. The chief financial officer shall send or cause to be given to the members and directors such financial statements and reports as are required to be given by law, by these bylaws, or by the board. The books of account shall be open to inspection by any director at all reasonable times.

The chief financial officer shall (i) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Association which such depositories as the board may designate; (ii) disburse the Association's funds as the board may order; (iii) render to the president, chairman of the board, if any, and the board, when requested, an account of all transactions as chief financial officer and of the financial condition of the Association; and (iv) have such other powers and perform such other duties as the board or the bylaws may require.

If required by the board, the chief financial officer shall give the Association a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of the office and for restoration to the Association of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the chief financial officer on his or her death, resignation, retirement, or removal from office.

Section 3.32 Contracts with Directors

No director of this corporation nor any other corporation, firm, association, or other entity in which one or more of this corporation's directors are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this corporation, unless (a) the material facts regarding that director's financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and noted in the minutes, or are known to all members of the board prior to the board's consideration of such contract or transaction; (b) such contract or transaction is authorized in good faith by a majority of the board by a vote sufficient for that purpose without counting the votes of the interested directors; (c) before authorizing or approving the transaction the board considers and in good faith decides after reasonable investigation that the corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (d) the corporation for its own benefit enters into the transaction, which is fair and reasonable to the corporation at the time the transaction is entered into.

This Section does not apply to a transaction that is part of an educational or charitable program of this corporation if it (a) is approved or authorized by the corporation in good faith and without unjustified favoritism and (b) results in a benefit to one or more directors or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this corporation.

Section 3.33 Loans to Directors and Officers

This corporation shall not lend any money or property to or guarantee the obligation of any director or officer without the approval of the California Attorney General, provided, however, that the corporation

may advance money to a director or officer of the corporation for expenses reasonably anticipated to be incurred in the performance of his or her duties if that director or officer would be entitled to reimbursement for such expenses by the corporation.

Section 3.34 Indemnification

To the fullest extent permitted by law, this Association shall indemnify its directors, officers, employees, and other persons described in Corporations Code section 5238, including persons formerly occupying any such positions, 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 that section, and including an action by or in the right of the Association, by reasons of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

On written request to the board by any person seeking indemnification under Corporations Code section 5238(b) or section 5238(c), the board shall promptly decide under Corporations Code section 5238(e) whether the applicable standard of conduct set for the Corporations Code section 5238(b) or section 5239(c) has been met and, if so, the board shall authorize indemnification, if the board cannot authorize indemnification, because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the board shall promptly call a meeting of members. At that meeting, the members shall determine under Corporations Code section 5238(e) whether the applicable standard of conduct has been met and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

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 under these bylaws in defending any proceeding covered by these bylaws shall be advanced by the Association before final disposition of the proceeding, on receipt by the Association of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Association for those expenses.

Section 3.35 Insurance

This Association shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer's, director's, employee's or agent's status as such.

Section 3.41 Annual Report

The board shall cause an annual report to be sent to the members and directors within 120 days after the end of the corporation's fiscal year. That report shall contain the following information, in appropriate detail:

- a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- b) The principal changes in assets and liabilities, including trust funds;
- c) The corporation's revenue or receipts, both unrestricted and restricted to particular purposes;

- d) The corporation's expenses or disbursements for both general and restricted purposes;
- e) Any information required by Section ___ (number) ___ of these by laws; and
- f) An independent accountants' report or, if none, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

This requirement of an annual report shall not apply if the corporation received less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors and to any member who requests it in writing. If the board approves, the corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission.

ARTICLE IV. MISCELLANEOUS

Section 4.01 Maintenance of Corporate Records

This Association shall keep the following:

- a) Adequate and correct books and records of account;
- b) Written minutes of the proceedings of its members, board, and committees of the board; and
- c) A record of each member's name, address, and class of membership.

Section 4.02 Membership Records

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 containing members' names, addresses, and voting rights during usual business hours on five days' prior written demand on the Association, which 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, a list of names, addresses, and voting rights of members who are entitled to vote for 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 the demand is received or the date specified in the demand as the date as of which the list is to be compiled.

The Association may, within ten 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 the proposed alternative does not meet the proper purpose of the demand.

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.

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. This right of inspection extends to the records of any subsidiary of the Association.

Section 4.03 Accounting Records and Minutes

On written demand on the Association, any member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the members, the board of directors, and committees of the board at any reasonable time for a purpose reasonably related to the member's interest as a member. Any such inspection and copying may be made in person or by the member's agent or attorney. This right of inspection extends to the records of any subsidiary of the Association.

Section 4.04 Maintenance and Inspection of Articles and Bylaws

This Association shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, which shall be open to inspection by the members at all reasonable times during office hours. If the Association has no business office in California, the secretary shall, on the written request of any member, furnish to that member a copy of the articles of incorporation and bylaws, as amended to the current date.

Section 4.05 Directors' Right to Inspect

Every director shall have the absolute right at any reasonable time to inspect the Association's books, records, documents of every kind, physical properties, and the records of each subsidiary. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 4.06 Annual Report

The board shall cause an annual report to be prepared within 120 days after the end of the Association's fiscal year. That report shall contain the following information in appropriate details.

- a) A balance sheet as of the end of the fiscal year, an income statement, and statement of changes in financial position for the fiscal year, accompanied by an independent accountants' report or, if none, by the certificate of an authorized officer of the Association that they were prepared without audit from the Association's books and records.
- b) A statement of the place where the names and addresses of current members are located; and
- c) Any information required by Section 4.07 of these bylaws. This Association shall annually notify each member of the member's right to receive a copy of the financial report under this Section. Except as provided in the next paragraph of this bylaw, on written request by a member, the board shall promptly cause the most recent annual report to be sent to the requesting member.

This Section shall apply if the Association receives less than \$10,000 in gross revenues or receipts during the fiscal year.

Section 4.07 Annual Statement of Certain Transactions and Indemnifications

As part of the annual report to all members, or as a separate document if no annual report is issued, the corporation shall, within 120 days after the end of the corporation's fiscal year, annually prepare and mail, deliver, or send by electronic transmission to each member and furnish to each director a statement of any transaction or indemnification of the following kind:

- a) Any transaction (i) in which the corporation, or its parent or subsidiary, was a party, (ii) in which an "interested person" had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an "interested person" is either
 - 1) Any director or officer of the corporation, its parent, or subsidiary (but mere common directorship shall not be considered such an interest); or
 - 2) Any holder of more than 10 percent of the voting power of the corporation, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

- b) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under Sections ___ (numbers) ___ of these bylaws, unless that indemnification has already been approved by the members under Corporations Code section 5238(e)(2).

**ARTICLE 5.
DISSOLUTION**

Section 5.01 Distribution upon Dissolution

This corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Internal Revenue code section 4942, shall not engage in any act of self-dealing as defined in Internal Revenue Code section 4941(d), shall not retain any excess business holdings as defined in Internal Revenue Code section 4943(c) shall not make any investments in a manner as to subject it to tax under Internal Revenue Code section 4944, and shall not make any taxable expenditures as defined I Internal Revenue Code section 4945 (d).

Certificate of Secretary

I certify that I am the duly elected and acting Secretary of Point Dume Community Association, a California nonprofit mutual benefit corporation; that these bylaws, consisting of ___ pages, are the bylaws of this Association as adopted by the board of directors on ____; and that these bylaws have not been amended or modified since that date.

Executed on the ___ day of _____, at Malibu, California.

[name], Secretary